TIMBER HARVESTING

Summary Public Input

At Public Information Sessions on the proposed policy and procedures for the replacement of major volume-based tenures with tree farm licenses

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Province of
British Columbia

Ministry
of Forests

MINISTRY OF FORESTS

Public Information Sessions on Proposed Policy and Procedures for the Replacement of Major Volume-Based Tenures with Tree Farm Licences

SUMMARY OF PUBLIC RESPONSE TO THE PROPOSED FOREST LICENCE CONVERSION POLICY

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TABLE OF CONTENTS

PAGE

INTRODUCTION 1

EXECUTIVE SUMMARY 3

PART I RESPONSES RELATED TO THE RATIONALE ADVANCED IN FAVOUR OF THE POLICY OF CONVERSION OF VOLUME BASED TENURES TO TREE FARM LICENSES 7

1. The Policy would extend the limits of "harvestable timber"leading to an increase in the AAC available to the licence holder. 8

2. The Policy would provide incentives to licence holders to practice good forest management because of the virtual certainty that the benefits of those practices would return to them. 10

3. The Policy would increase management flexibility for the licence holder and tend to decrease administrative and operating costs. 14

4. The Policy would lead to greater security of timber supply and therefore encourage licence holders to increase the level of investment in manufacturing plants of high international competitiveness and new plants dedicated to high value-added secondary manufacture. 15

5. The Policy would lead to increased employment and community stability by providing long term security to the licence holders upon whom local employment is based. 20

6. The Policy would increase the range of employment opportunities in the forestry sector by encouraging expansion of secondary manufacture, increased intensity of silviculture and increased small business opportunities. 25

PART II RESPONSES RELATED TO THE GENERAL RATIONALE FOR TREE FARM LICENCES AS A FORM OF TENURE 31

1. Tree Farm Licences are an appropriate strategy for managing a public common property resource on a sustainable basis. 31

2. Tree Farm Licences transfer forest management responsibility and costs to the licence holder while ensuring effective accountability to the public for use of the resource. 34

3. Tree Farm Licences are an effective vehicle for ensuring high standards of forest utilization, silvicultural practice, and environmental management practice. 38

4. Tree Farm Licences are an effective vehicle for integrating resource management over the long term to recognize environmental, fishery, wildlife and other land based resource values. 48

5. Tree Farm Licences provide a focus for detailed and specific public input into forest management. 54

6. Tree Farm Licences increase the investment in roads and recreation facilities accessible to the public on a continuing basis. 57

7. Tree Farm Licences are an effective means of increasing the contribution of forestry to Crown revenues and generally maximizing the return to the public for exploitation of the resource. 59

PART III SPECIFIC REACTIONS TO THE PROVISIONS OF THE PROPOSED CONVERSION POLICY 67

1. Eligibility for Conversion to TFL 70

2. The Implementation Process 74

3. Applications 75

4. Identifying the Preliminary AAC 76

5. Disposal of Timber to Third Parties 78

PART IV CONCERNS ABOUT THE ROLE OF MULTINATIONALS AND THE IMPACT OF CORPORATE CONCENTRATION RESULTING FROM THE TFL CONVERSION POLICY 79

1. Evidence for corporate concentration which could arise from implementation of the policy 80

2. Concerns about the objectives and accountability of Multinational Corporations: Shareholders vs the public interest, external investment of profits 81

3. Experience with the economic practices of existing multinational TFL holders 82

PART V CONCERNS ABOUT THE INCLUSION OF LAND AREAS WITH UNRESOLVED NATIVE LAND CLAIMS INTO NEW TFL'S CREATED BY IMPLEMENTATION OF THE POLICY 83

1. Public response to the Provincial position on Land Claims 83

2. Impact of TFL status on the cost of settlement of land claims 86

3. Future insecurity of tenures which include areas with unresolved claims 86

4. Native controlled forest tenures 87

PART VI CONSTRUCTIVE STRATEGIES FOR COMMUNITY INVOLVEMENT IN THE MANAGEMENT OF LONG TERM AREA-BASED TENURES 90

1. Community managed TFL's. 90

2. Community participation in the management of company TFL's 92

3. Expanding the Forest Management Structure 93

4. The need for consultation in cases of layoffs and closures 94

PART VII CALL FOR A FORMAL PUBLIC REVIEW OF FORESTRY 95

1. Call for a Royal Commission 96

2. Other types of public review 100

APPENDICES

Preceding each public information session, the Forest Service made standard presentations to ensure that the participants were accurately informed about the official content of and rationale for the proposed licence conversion policy.

Three Appendices have been attached to this summary, which contain the substance of the Forest Service presentations in order to ensure that readers have direct access to the original material.

1. A paper outlining initial proposals for implementing the policy and procedures for the replacement of forest licences and similar tenures with tree farm licences (released July 1988)

2. A paper providing technical background information on the tree farm licence and on the overall B.C. forest tenure system

3. A six-page general information hand-out on tree farm licences in British Columbia

INTRODUCTION

The purpose of the public information sessions conducted by the Hon. Dave Parker, Minister of Forests, during February and March of 1989, was to gather public reaction to the proposed policy of converting Forest Licences to Tree Farm Licences. Meetings were held in the communities of Smithers, Ft. St. John, Prince George, Williams Lake, Kamloops, Nelson, Vancouver and Parksville.

A target of 67% of the allowable annual cut on the public forest land base was indicated, up from the current commitment to TFL's of 29%. The main rationale advanced for the conversion from volume-based to area-based tenures under the clauses of the policy is that it would encourage a higher standard of silvicultural practice leading to increases in available wood supply, it would encourage increased investment in manufacturing plants leading to more jobs, and it would encourage investment in value-added product development leading to increases in the overall return to the public from the forests.

The written briefs, letters and verbal presentations to the Minister and his panel were assembled into a permanent record. The verbatim transcript of the public meetings, alone, runs over 2500 pages. Representatives of large and small forest industries, silvicultural contractors, public interest groups, non-government organizations, unions, local governments, Indian Bands, business associations and a great variety of individuals presented their views. They spoke about tree farm licences, alternative tenures, the value of small business, forestry practices, concentration of ownership in the forest industry, land use conflicts, aboriginal rights, economic returns to the public, wilderness preservation, the emergence of tourism and their concern for the security of the global environment. The opportunity to speak to a major forestry issue was treated as a platform to air wide-ranging concerns for the system of forest management and the impact of forestry on the life of the province.

This summary was commissioned to extract from the record those contributions most directly related to the licence conversion policy. In practice, it has proven to be very difficult to separate the strictly policy-related comments from the context in which they were presented. Presenters gave extensive reasons for the specific views that they wished to register. In many cases the question of conversion of licences was addressed through comment on the validity of the Tree Farm Licence itself as an acceptable form of tenure. In order to keep reasonably close to the terms of reference for the summary while also doing justice to the complexity of the public comment, the following framework has been employed:

PART I	**Responses related to the rationale advanced in favour of the policy of conversion of volume based tenures to tree farm licences**
PART II	**Responses related to the general rationale for tree farm licences as a form of tenure**
PART III	**Specific reactions to the provisions of the proposed conversion policy**
PART IV	**Concerns about the role of multinationals and the impact of corporate concentration resulting from the TFL conversion policy**
PART V	**Concerns about the inclusion of land areas with unresolved Native land claims into new TFL's created by implementation of the policy**
PART VI	**Constructive strategies for community involvement in the management of long term area-based tenures**
PART VII	**Call for a formal public review of forestry**

For each element of the summary a statement has been prepared to reflect the essence of the public concerns expressed. Because of the diversity of opinion on most matters, brief quotations from the transcript and submissions have been included to illustrate that variety.

At the beginning of each information meeting, members of the Ministry staff presented an overview of the proposed conversion policy and procedures. In addition the Ministry made available three documents entitled: *"Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences"*, *"Background Information to the Government's Policy to Replace Forest Licences with Tree Farm Licences"* and *"Tree Farm Licences in British Columbia - Questions and Answers."* During the meetings there were question and answer periods which allowed for some dialogue over the conversion policy and for some clarifying comments from the Minister and his staff.

It is evident from the submissions and the transcript that many people heard the official policy proposals and their explanations only after they had prepared their remarks for the meetings. There are some concerns recorded in this summary, therefore, that are specifically answered by the official documentation of the policy itself. Care has been taken to include rather than to exclude such comments so as not to arbitrarily limit the objectivity of this summary.

TFL CONVERSION POLICY: EXECUTIVE SUMMARY

The purpose of the public information sessions conducted by the Hon. Dave Parker, Minister of Forests, during February and March of 1989, was to gather public reaction to the proposed policy of converting Forest Licences to Tree Farm Licences. A target of 67% of the allowable annual cut of the public forest land base was indicated, up from the current commitment to TFL's of 29%. The main rationale advanced for the conversion from volume-based to area-based tenures under the clauses of the policy is that it would encourage a higher standard of silvicultural practice leading to increases in available wood supply, it would encourage increased investment in manufacturing plants leading to more jobs, and it would encourage investment in value-added product development leading to increases in the overall return to the public from the forests.

Arguments presented in favour of implementation of the licence conversion policy were:

1. Area-based tenures provide a secure wood supply that allows licence holders to attract investment and to engage in long range planning for building and upgrading internationally competitive conversion plants that match the available timber profile.

2. Long term tenure over a particular land base encourages investment in advanced silviculture and sound environmental practices because the long term returns from the investment and stewardship will accrue to the licence holder.

3. Security of wood supply encourages stable development of the industrial base and therefore increases the stability of employment and the security of communities which are dependent on the forest industry for a large proportion of their economy. There are concrete examples of communities that have prospered under the developments arising from properly managed TFL's.

4. Area-based tenures allow for more efficient deployment of the professional resources of a company into the technical management of the resource rather than into the administrative task of finding and securing an ever-changing mix of volume-based licences. More importantly, they change the attitudes of the forest managers by involving them in a long range responsibility that encourages commitment to a particular land base.

5. Tree Farm Licences are a proven system for effective management of the forest and other forest-based resources under a well developed series of public hearings, reviews of management and working plans, referrals to other resource agencies of government and ongoing scrutiny by the Forest Service.

6. The record of forest utilization, limitation of negative environmental impact, reforestation effort, accommodation to other resource users, public recreational access and systematic public involvement in resource management has been better on tree farm licences than on other tenures.

7. The conversion of forest licences to tree farm licences would bring many mid-sized companies into area-based tenures rather than concentrating TFL's only in larger companies.

Arguments presented which were unfavorable to implementation of the licence conversion policy were:

1. Because existing tree farms and the forest licences eligible for conversion to tree farms are already concentrated in the hands of a small number of large corporations the policy would lead to unacceptably high level of forest resource control residing in too few companies.

2. Concentration of forest tenures in the hands of large multinational corporations is unpopular due to the record of specific case histories which indicate that the local interests of employees and communities, returns to the provincial treasury and the sustainability of the harvesting and forest renewal practices are a distant second to the extraction of short term profits from the early liquidation of old growth forests.

3. Actual forestry practices observed on tenured lands do not consistently live up to the claims made by forestry spokespersons. They are seen to include violation of high utilization standards, high grading, and concentration of cuts close to conversion facilities. Maintenance of soils streams or wildlife habitats, adherence to sound environmental practices, provision of effective reforestation, and consideration for other resource users are not seen to be consistently normal practice.

4. Tree farm licences attach wood supplies to ownerships integrated with conversion facilities thus limiting the forces of market competition that would naturally increase the value of the wood and encourage innovation in the development of new products and increase the overall returns to the public.

5. The capacities of the Forest Service and other public resource management agencies are seen to have fallen below the threshold of effectiveness. The public does not have confidence that the current staff can actually deliver the degree of stewardship required to protect the public interest once the day to day forest management responsibilities are delegated to licence holders.

6. The public involvement opportunities provided in the structured sequences for establishment or renewal of tree farm licences and the review of management and working plans are seen to be too limited to allow for resolution of the public concerns for land use integration. Opportunity to respond to prepared single-use dominated plans appears to foreclose the option of intervening in the original decisions that allocate resources to various uses.

Public comment indicated that the base of support for implementation of the policy would be improved if it were to incorporate the following features:

1. The 67 % target of the provincial AAC to be converted to area-based tenures should be reduced in order to avoid the excessive concentration of long term tenures into the hands of a few giant firms, to ensure flexibility of future response to other competing land uses, and to ensure viable public Timber Supply Areas are left as buffers against disaster and as supply sources for small business.

2. The criteria for favorable consideration of applications for licence conversion should be very strict and should incorporate a review of the complete range of past practices in wood utilization, reforestation, environmental integrity, relations with the public, delivery on promises to employees and communities, and performance on commitments to build facilities.

3. Careful consideration should be given to the size limitations envisioned for licence conversions so that smaller firms with good performance histories are not excluded from sharing in the benefits of area-based tenures and so that increased security of tenures for smaller firms can contribute to the employment and economic security of the communities in which they reside.

4. Favorable consideration should be given to allocation of tree farm licences to communities and native bands in order to balance the concentrated ownership pattern of forest companies which is widely perceived to be insensitive to local concerns.

5. Licence conversions based on lands currently embroiled in Native Land Claims disputes should be carefully reviewed in order to limit the compensation provisions and thus avoid having the future cost of withdrawals lead to excessive barriers to settlement of claims or to unearned windfall compensation to licence holders.

6. Before licence conversions proceed, a publicly acceptable mechanism for assessing the complete range of competing resource values in a proposed Tree Farm should be established. This is seen to be necessary so that the provisions for compensation for reductions in the AAC due to withdrawals for other uses do not excessively limit the flexibility of government to respond to inevitable future demands for alternate land uses.

7. A formal review of the substantial areas of public concern about economic returns, stability of employment and communities, forest management practices, concentration of ownership in the industry, allocations to small business, environmental impacts, sustainability of current harvesting and reforestation practices, and strategies for public participation should precede the conversion of licences in order to assure the public that the policy, or a suitably revised version, is sound and that the rationale for tree farm licences will be realized in practice.

Many public presentations suggested convening of a Royal Commission. Complexity of the issues, time since the last commission and the erosion of public confidence in the sustainability of current forest management directions were advanced as reasons. Other people felt that the issues should be addressed by ongoing development of regional and community forestry boards and an integrated land use agency. Still others argued that the current public review system surrounding tree farm licences would serve and that a Royal Commission would be a time-consuming waste of money. It is unlikely that public support for the conversion policy will result from any type of review unless it is seen to be objective, independent, thorough, and accessible to the public.

PART I

RESPONSES RELATED TO THE RATIONALE ADVANCED IN FAVOUR OF THE POLICY OF CONVERSION OF VOLUME-BASED TENURES TO TREE FARM LICENCES

Weyerhaeuser Canada used a sophisticated computer model adopted from the parent company to develop an optimum forest management regime on TFL 35. Now, the company is supposed to take a further trailblazing initiative in expanding forest management on TFL 35. The computer-simulated model formed a basis for a 1988 proposal by Weyerhaeuser Canada to the Ministry of Forests to invest more company funds in investing forest management on TFL 35. Increasing the long-run sustained yield from the historic level of 80,000 cubic meter per year to 154,000 cubic meter per year.

The components of the proposed regime include timely reforestation, more extensive site preparation, species selection, tree improvement, plantation maintenance, protection, growth and yield enhancement activities, and most importantly, an uninterrupted financial commitment by the company to the forest management program.

Steve Tolnoi, Chief Forester, Weyerhaeuser Canada, Kamloops

Why then, it may be asked, are companies so anxious to acquire a TFL and risk losing more allowable cut, risk exposing themselves to catastrophic losses to fires, insects, and disease, risk exposing themselves to more onerous administrative and forest management obligations, and to paying higher annual rents? Greater security and clearer accountability are the answers. Security of rights to harvest within a known area, not land ownership; security of rights to harvest timber volumes, not timber ownership; security of recouping investments and added values and volumes of timber, not unearned gains, and finally, clearer lines of accountability in dealing with the problems and the benefits of forest management over a specific area.

There are also gains that British Columbians stand to realize; more jobs, more corporate and personal taxes, more stumpage from incremental volumes, the equity that accrues to the public in the improved condition of the public's forests, increased diversity of economic activity and last, but perhaps most important, a direct line of accountability is established. There is not Joe down the street to point the finger at. The public and other resource users will be able to confidently interact with a licencee and indeed the individuals that are going to be out there on the ground. There will no longer be any confusion over just whose responsibility it is to contact other users or to address concerns, whether they be silviculture, harvesting or integrated management. The Forest Service can assume an audit and mediating role and not continue to be caught in the middle as a whipping boy leaving all parties frustrated. Clear accountability.

Doug Routledge, West Fraser, Williams Lake, B.C.

1. The Policy would extend the limits of "harvestable timber"leading to an increase in the AAC available to the licence holder.

* calculations of the AAC

The allowable annual cut, a figure intended to be equivalent to the amount of timber that a given land base is actually capable of producing in a given year, is not a permanently fixed quantity. The calculated growing capacity of the land may be altered by creating new uses for previously unuseable timber, by developing access to timber not previously economically accessible, by altering utilization standards, by improved silvicultural practices which increase growth potential and by reorganization of the land and timber allocations falling inside a particular tenure. Public comment reflects growing concern that calculation of the AAC is consistently optimistic and is based upon unproven future growth of new plantations or inclusion of marginal timber that will prove to be uneconomic. There is concern that recalculations of the AAC are driven by the increased wood requirements of conversion plants rather than by fully realizable projections of growth capacity. This perception is heightened by concerns that some industry members are concentrating their cut in areas of high value and easy accessiblity rather than distributing the cut over the full area that was used to calculate the AAC and thus compromising long term sustainability of their operations. The apparent tendency to escalate the AAC to increasingly higher levels is seen as producing a level of commitment of timber resources that makes it difficult for government to respond to other forest land based resource uses.

> An Operability Assessment must be completed on the Queen Charlotte Timber Supply Area. An operability assessment is a resource inventory which reduces the overall land base of a discreet area down into those areas which contain operable timber with regard to technological, environmental, and social considerations in force today.
>
> Such an approach to a forest inventory permits a balance between technology, the environment, and the needs of society. This in contrast to an inventory methodology that determines the extent of forest resources based exclusively on technological factors in force, both today, and 50-75 years into the future.
>
> This antiquated approach, used to determine Annual Allowable Cuts, has led to countless problems of timber supply in communities dependent on forest resources. In general, AAC's calculated this way are highly inflated due to the inclusion of inoperable timber into the overall land base.
>
> *M. Hearne for Board of Directors, Islands Protection Society*

We should take the initiative and set ourselves some realistic harvest targets. We do not have to accept our critics view that we can only cut 50 or 60 million cubic metres. We do not even have to accept the 75 million cubic metre harvest that your Ministry has indicated is possible. Why not target for 100 million cubic metres or more, then develop the necessary steps to get us there? Our land base can support it. Our targets must recognize the need to provide for environmental quality and other resources critical to our lifestyles. It is a question of balance.

The people of B.C. no longer trust the forest industry. They see us harvesting. They see the clear-cuts, but they don't see the seedlings we plant. It gives them an uneasy feeling that we're merrily taking but not replacing. More and more of them are thinking that we should apply the brakes, stop the engine and go back to square one. Well if we do that, we'll be throwing the baby out with the bath water. Just because you cannot see immediate results doesn't mean we're not doing anything. In fact, we have accomplished a great deal. Everywhere you look our second growth forests are greening the province.

Bruce Devitt, Chief Forester of Canadian Pacific Forest Products

In the calculation of the AAC, the Ministry of Forests has permitted the use of quite short rotations which under the methods used have been overoptimistic, since regeneration has frequently not been as successful as predicted and utilization under "sympathetic administration" has been at a very low standard on some TFL's. In short, experience has shown that with the totally inadequate investment by the government in an adequate staff and support of them by the politicians, it is impossible to properly manage the resources for which they are responsible. The public deserves to know the truth so they can be prepared to pay the price to assure a future viable forest resource base for all purposes, not just a short-term supply of cheap wood and fibre for maximum corporate profit.

Philip G. Haddock, R.P.F., Professor of Forestry (Silviculture) Emeritus,
Vancouver,B.C.

Long-term TFL tenures give forest corporations greater control over the timber resource, both in terms of management and in establishing the allowable annual cut. Through subsidiary agreements and letters of understanding, the government has transferred responsibility for forest management from the Ministry of Forests to the corporations. Also, the AAC will be established on the basis of timber cruising performed by foresters employed by the company. Consequently, the company is in a position to greatly influence the judgement of the province's Chief Forester who, due to his dependence on company supplied information, is more likely to rubber-stamp the company's AAC recommendations. This arrangement provides industry with the opportunity to manipulate AACs to maximize short-term profit potential, certainly at the expense of sustainability.

Jim Rutkowsky, Red Mountain Residents' Association

* alternatives to increasing the AAC

Some public responses suggest that more volume would be gained by increases in utilization standards and the curtailment of waste than by escalation of the AAC and that the incentives should be altered to reflect this strategy.

> The great increase in the AACs of the first TFLs demonstrates that the forest types classified as "opportunity wood" will be harvested in due course as economic margins rise and as the original conservative estimates of economic accessibility are revised upward. The greatest challenge is not the so-called opportunity wood, but the utilization of the huge volumes of logging residues. These are not mentioned in the Ministry proposal. They represent a large potential increase in timber supply, particularly for the pulp and paper industry.
>
> *Mr. T. Wright, Vancouver B.C.*

2. The Policy would provide incentives to licence holders to practice good forest management because of the virtual certainty that the benefits of those practices would return to them.

> The TFL form of tenure provides very significant incentives for the licencee to provide sound land management. TFL holders are very much aware that in order to maintain their stake in the TFL, the public interest in integrated resource management must be satisfied. All of the resources and values of the forest land must be realized for the greatest public good.
>
> In a TFL, errors of management which would have an adverse effect on other resources or users, stay with the licencee. We cannot disown them. In contrast to a forest licence in a timber supply area, a management mistake in a TFL will always stay as part of the licencee's reputation. This is a powerful incentive to ensure that mistakes are not repeated, and that the public interest on the TFL is well served.
>
> *Tom Holmes, MacMillan Bloedel*

> Next to private ownership, the TFL tenure system is the only system evolved so far from which we can expect and receive the superior forest management so necessary for B.C. to maintain its competitive position.
>
> *Roger Manning, Western Forest Products Limited*

> These tree farm licences enforce responsibilities to the public to foster a closer stewardship of the resource with our land, timber, wildlife, or recreation because they govern the management of the timber crop through to rotation. Forest licences, on the other hand, were designed to harvest timber and reforest the land, but because there is no defined boundary, there is less of a stewardship attitude towards the entire lands.
>
> *Tom Turner, Eurocan Pulp and Paper Company, Fraser Lakes Sawmills Division*

> The level of forest management that will be practiced in British Columbia can be established either by legislation or by incentive. History has demonstrated conclusively that "incentive" is a much more effective and more economical means of developing good management than doing it by legislation.
>
> The form of forest tenure that provides by far the greatest incentive to the practice of good forest management is the Tree Farm Licence (TFL)
>
> *W.D. Ewing, R.P.F., R.L. Caesar, R.P.F., W.G. Burch, R.P.F., S. Techy, R.P.F., P. Eng, A.G. Farenholtz, R.P.F., K. Holmsen, R.P.F., M. Stewart., R.P.F., J. Standish, R.P.F., R.E. Rogers, R.P.F.*

* incentives to invest in silviculture

Area based tenures are seen as an incentive for tenure holders to increase their investment in silviculture. Responses to this proposition vary from enthusiastic endorsement and the offering of examples from current industry practice on TFL's to concerns that the investment in silviculture reflects a calculation of the minimum cost of doing the business of extraction and conversion of the old growth.

> PIR, on its current licences, pay for its silviculture obligations to the free-growing stage. However, the increased stewardship of the TFL will provide incentives to grow a better seedling of superior genetic quality, tend the plantations to ensure a healthy vigorous second crop, and invest more funds into other intensive silviculture programs, such as fertilization, spacing, pruning, and thinning.
>
> *Geunter Weckerle, Pacific Inland Resources, Smithers*

> Investment goes where the return is, as everyone knows, a big company doesn't care where its money goes as long as they get a good return. Won't it take those profits and put them into fast-growing plantation forests in the U.S. South or in the Philippines, or in New Zealand, or in Tasmania, or Brazil, and then get their crop back, a new crop, and a return making their shareholders happy maybe in 30 years, rather than 90 years - I just don't see the companies putting the billion dollars back into B.C. if they're not going to get anything out of it for 100 years.
>
> *Melba Buchanan*

> The stability of the Tree Farm Licence tenure offers considerable incentive to practice innovative incremental silviculture beyond the statutory basic requirements to increase volume yield as well as enhance end-product quality.
>
> *W.T. Uphill, Vice-President, Pope & Talbot Ltd, Grand Forks, B.C.*

> The long-term commitment to intensive silviculture will enhance the local economy by generating many new and ongoing jobs for silviculture contractors and local suppliers. Now, we're quite proud of this . It should be noted that Peace Wood Products will, in 1989, take delivery of the first commercially grown seedlings produced in the North Peace. Partially through our support and encouragement, Peace River Greenhouses is in a major expansion phase which will increase its capacity and add cold storage facilities. With TFLs, this industry and others will have the opportunity to grow further, creating an improved investment climate and jobs.
>
> *Cliff Kowalski, Peace Wood Products, Fort St. John, B.C.*

* the "basic silviculture" requirement

One of the main reasons put forward for public concern about the efficacy of silvicultural incentives is that the law appears only to require "basic silviculture" on TFL's and that this is what appears to be practiced in many cases.

> Tree Farm Licencees have very little confidence in the security of their timber harvesting rights, consequently, they are uncertain that any investments they make in timber production will ever be recouped. This is hardly surprising given the terms of these tenures, their history, and the political opposition they have invoked since their inception. Tree Farm Licences must be replaced every 10 years at which time the terms and conditions under which they are held can be changed. However, as recent changes in forest policy have clearly demonstrated, the conditions under which the Licences are held can be changed unilaterally by the government in power during the term of the agreement. Licencees have little statutory protection from such actions. Little wonder that they prefer to invest scacre silvicultural dollars on their private holdings rather than on the lands they manage on behalf of the Crown.
>
> Under the current system, even if timber resulting from investments in silviculture on Crown land is harvested by the licencee, the Crown stumpage he will be required to pay may capture most, if not all, the resulting financial benefits. As far as the licencee is concerned, the returns to silvicultural investment may well be close to zero.
>
> In the absence of incentives, the only silvicultural investments made by Tree Farm Licencees on Crown land will be those required under the terms of their contracts. This situation was confirmed by a recent study at the University of British Columbia which showed that over the 5 year period 1981 to 1985, voluntary investments in silviculture on Crown land within Tree Farm Licences amounted to an insignificant 47 cents per productive hectare, per annum. On managed private forest land outside of Tree Farm Licences, $16.88 per productive hectare per annum was voluntarily invested in silviculture over the same period.
>
> Currently, a Tree Farm Licencee's silvicultural obligations normally only include reforestation to a free to grow status, that is Basic Silviculture. Since late 1987, the costs of these contractual requirements have been the licencee's responsibility. Under such arrangements, licencees have every incentive to minimize their costs. That is, they will meet the minimum required standards as cheaply as possible. What is achieved on Tree

Farm Licences is minimum cost silviculture rather than optimum silviculture in the public interest.

If tenure holders have sufficient incentive to invest in silvicultural operations voluntarily, in amounts that are considered to be socially acceptable, then governments not only avoid current outlays of public funds but are relieved of administering costly monitoring and enforcement procedures. However, in order to have such incentives, private firms must enjoy a high degree of tenure security and hold sufficient equity in future timber crops. In addition, the allocation of silvicultural funds will be determined by private, rather than social, criteria. In other words, in order to provide adequate incentives for private firms to invest in silviculture on public land, governments must be prepared to bear costs in terms of reduced control over such land, reduced management flexibility for public forest resources, and lower returns from the sale of public timber in the future. Such costs may be socially and politically unacceptable.

David Haley, R.P.F., Department of Forest Resources Management,
University of British Columbia, Vancouver B.C.

* history of investment in silviculture in current TFL's

Practices referred to in the submissions suggest inconsistency in the level of silvicultural investments of current TFL holders, with some exceeding the minimum requirements and others appearing to underexpend and accumulate NSR backlogs. Public comment suggests that the area-based tenure and the prospect of increased AAC by themselves are not sufficient incentive to ensure silvicultural investment beyond the statutory minimum.

Investment levels and Intensive Forest Management: Investment levels and basic and intensive forest management have not increased because tree farm licences were granted. According to a forest survey and forest renewal programs, investment on the Crown portion of Tree Farm Licences has been 0.82 cents per cubic meter. This figure falls far below the average of $1.60 per cubic meter invested on private tree farm land in the province and the $2.50 per cubic meter spent in Washington and Oregon. It falls even further behind the $3.26 per cubic meter spent in Northern Europe.

Rick Jefferay, Truck Loggers' Association, Smithers

As a silvicultural contractor, I come into contact with many different forest companies, and ways of thinking. Some of the best stewardship I have seen is presently being practiced by the large integrated firms that people love to hate. They have efficiencies in a joint saw log pulp and paper operation that allow them to survive the different cyclical markets and be very competitive in a global sense. They are also much more visionary in their long-term planning than a smaller business can be. I think what I am saying there is big is not necessarily bad.

Allen Bahen, Summit Reforestation Limited and Summit Nursery Ltd., Smithers

> The reforestation program began in 1948 with the first collections of Douglas fir seeds and the beginning of the planting program. The current objective of restocking logged lands within three years after logging on good and medium sites was established in 1954. We are meeting this objective on the TFL and are planting 85 percent of the areas. The remaining 15 percent are restocked naturally.
>
> *Wayne Green, Planning and Development Manager, Englewood LoggingDivision*

> Over the years, Coast Range Contracting Ltd has worked for many licencees, which has given us a perspective on the importance of various types of tenure on silviculture. It is our experience that the average forest company holding a tenure under the present system usually takes the short term, cheapest alternative for their reforestation program, with little regard for the varying degrees of organization, stability, and expertise of different silviculture contractors.
>
> We believe, and the Auditor General's report of FRDA projects for 1988 appears to support us, that the forest will suffer from a short-term approach. While it is true that Canadian forestry is no longer a business of "cut and run", it appears, as NSR land actually increases, that the current system has simply changed things to "cut and plant and run".
>
> There are companies that are attempting to change that. Coast Range Contracting Ltd. has contracted for Fletcher Challenge at Elk River and at McKenzie for many years. Both divisions have shown imagination and commitment to be innovative with their silviculture programs, pioneering area-based payment for planting-which in effect brings the tree planter's goal in line with the forester's- and the multi-year contract. They are now showing interst in more intensive siliviculture, inlcuding badly needed tending. We hope to see tree-planting contracts become multi-year, intensive silvicultural contracts. It is revealing that Elk River has title to its land, and that McKenzie is applying for a Tree Farm Licence.
>
> *Don Fladager, Project Supervisor; J.V. Bart Simmons, General Manager,*
> *Coast Range Contracting Ltd, Vancouver, B.C.*

3. The Policy would increase management flexibility for the licence holder and tend to decrease administrative and operating costs.

* efficiency of use of professional time

The regular process of preparing for competitive bidding or searching for appropriate areas to present for volume-based tenures consumes a large amount of professional time and company effort. It is argued that this effort would be more effectively concentrated on the job of long term management of an area-based tenure and that it would result in better returns to the public in the form of better stewardship on designated forest land.

> Another thing I'd like to say about the tree farm licence is that it allows us more time to focus on forest management practices. Under the forest licence tenure, we can spend a considerable amount of time devoted to negotiating and securing our timber supply, often in conflict with other licencees. It contributes a significant drain on our staff time, that could more productively be directed to improve forest management practices.
>
> *Lowell Johnson, Northwood Pulp and Timber, Prince George*

4. The Policy would lead to greater security of timber supply and therefore encourage licence holders to increase the level of investment in manufacturing plants of high international competitiveness and new plants dedicated to high value-added secondary manufacture.

> Now, I want to describe a couple of the visions that I see. The first one is yours. You're saying, I think, to me and to these folks, to accept the concept of monopoly capital, to admit that it's the only thing that worked so far and it's the only way to do into the future, that it worked to capitalize industry. So, we should go with the only thing that worked and not only give them what they've already got, but entrench it in law and give them more. When we give them more and entrench it in law, they'll have the power to go and borrow a bunch more money and they'll re-tool the industry that everybody's telling us has got to be re-tooled. That's essentially your vision, I think.
>
> *Mr. Corky Evans, Nelson, B.C.*

* attractiveness of area based tenures to private capital

Area based tenures are seen to be more attractive to private capital investors due to the security of timber supply and the likelihood that improvements in productivity of the land or production facilities will accrue to the original investors.

* incentives to invest

It is argued that the direct linkage of conversion facilities and securely tenured wood supplies is a major incentive for industry to invest in new plant, upgraded plant and innovative plant for development of new secondary products. Security of supply is seen as a major advantage in the complex job of managing wood flow to conversion facilities over the long periods of time while additions to plant are conceived, planned, financed and built. There is, however, a case made for uncoupling of forest production tenures from conversion facilities based upon experience elsewhere. The point was made that open competition for the wood supply to conversion facilities would encourage investment in plant of higher utilization efficiency and greater value-added products rather than high volume, automated plants specializing in production of bulk and low value-added products.

> Slocan Forest Products is starting major renovations to their existing breakdown facilities at Vavenby. The machinery which is being placed in the facility is equipment which we feel will best utilize a log profile of the operating area which we have today. It is therefore, imperative that we have a defined area of operation for which we can plan our facility upgrades and also do a better job on our forest management.
>
> *Don Bennett, Woodlands Manager, Slocan Forest Products, Vavenby*

> I believe our government should be working to increase competition for timber, not decrease competition. As existing tenures expire, they should not be renewed. The forest companies have recovered their investments by the end of their tenure; they have had their break. Now let the market determine the real value of our resource rather than a formula that is open to interpretation.
>
> *Lance Hamblin, Hamblin Industries, Houston*

> The Government of British Columbia has the means to reduce, if not eliminate, the current TFL controversy by promoting better forest management and increased public involvement through community based TFL's. The argument that large integrated processing facilities need a vested control over a large timber base is a remnant of 1960's thinking. In many parts of the world, such as the Scandinavian countries, New Zealand and Eastern Canada, manufacturing facilities purchase their timber requirements from various government agencies and a wide variety of private owners. The large integrated timber processing facilities of B.C. do not necessarily need more TFL's to ensure their timber requirements are met or to attract the capital necessary for facility improvements. Tenure rights can be separate from the ownership of processing facilities.
>
> *M. Dorner, R.P.F., Woodlands Manager, Herman Sawmill Ltd*

> The joint Mackenzie tree farm licence application submitted by Finlay Forest Industries and Fletcher Challenge Canada is a good example of the potential economic development and enhanced forest management opportunities only available through a security provided by a tree farm licence. The joint Mackenzie application contains specific commitments to an update of the existing forest inventory, expanded utilization of the problem forest types as aspen, and intensive silviculture program, and a long-term capital expansion plan.
>
> In total, the joint Makenzie tree farm licence application represents a significant capital investment and a job-creation incentive. The companies are proud of the Mackenzie TFL application, and feel that it is one of the most comprehensive forest management packages ever submitted in this province.
>
> *John Dahl, Vice-President, Finlay Forest Industries*

> The government has stated that one of the objectives for the rollover from forest licence to TFLs is to provide tenure security through which to encourage diversification. Our export marketing experience has shown that our justification for securing the TFL over our traditional area is justified. Overseas clients are increasingly more concerned about a supplier's ability to provide a consistent quality product over the long term. The TFL

> tenure will provide us the nucleus from which we can meet these challenges and continue to diversify our products. This will benefit ourselves, our employees, the local community and, in fact, the general public who owns the resource.
>
> *Cam Milne, Woodlands Manager, Dunkley Lumber*

* actual investment experience

Presentations were made which refer to the extensive development of large conversion facilities that are directly tied to the granting of TFL's. Communities whose economic base is directly tied to the harvest effort and conversion plants arising within TFL's and whose experience has been one of continued prosperity are anxious that the stability apparently conveyed by the TFL system be maintained. Other communities with falling employment levels are less convinced that new conversion facilities will actually result in more employment.

> Skeena Cellulose Inc. has demonstrated its commitment to the future--by investing more than $120 million in the Terrace and Prince Rupert facilities during its first three years of operation. Ensuring our operations are world class is our responsibility, and we are doing that. You don't spend that kind of money unless you plan to be around for awhile.
>
> *Pat Ogawa, Skeena Forest Products or Skeena Cellulose Incorporated*

> The evidence shows that any investment in manufacturing, is not in second industries, but in mechanizing the heavy industries, to the corporations' advantage, using more resources (logs?) with less labour, assuring these large corporations more profits and the public less, because of less wages staying in the communities.
>
> *John Howe, Duncan, B.C.*

* living up to past industrial commitments

Public concern was expressed that industrial commitments to create specific conversion facilities in return for granting of a TFL have not always been forthcoming. The public perception appears to be that failure to live up to such a commitment does not carry any penalty and that the tenure received under such an agreement may remain in force. The type of commitments made tend to stress the benefits to local communities of new conversion plants and the advantages to the local work force. Recent examples of industry layoffs following quickly on the heels of public assurances of employment security were presented as evidence of the weakness of government in ensuring that industry commitments would be honoured.

> Mr. Parker, we the workers in TFL 46 are living examples that Fletcher Challenge of Canada cannot provide economic stability and long-term employment. The 425 workers dependent on TFL 46 timber and given lay-off notices are living proof that tree farm licences do not work in the interest of forest-based communities and the workers.
>
> *Lynn Kistner, Faller, Fletcher Challenge of Canada's Renfrew Division, Chairperson, Union's Camp Committee (Local 1-80)*

> Concerning the size of the TFL's: they are too big. I used to work in MB's TFL #2 near Tofino, B.C. I currently work near Nitnat Lake in MB's TFL #44 which was created when TFL #21 and TFL #2 were combined. When this TFL #44 was formed, MB promised not to have a large scale pull out in the West Coast area of what was formerly TFL #22. This promise was broken and myself, along with hundreds of other workers, were transferred to the southern end of TFL #44, and thus created economic loss for Tofino and other West Coast communities.
>
> *Danny Taylor, Shawnigan Lake, B.C.*

* employment effect of modern plant investment strategy

Much concern was expressed about the continuing tendency of modern plant and harvest technology investment to displace labour. This tendency toward structural unemployment in the forest industry is seen as the result of concentration of very large timber supplies in the hands of owners with large scale conversion facilities where capital intensive automation leads to international competitiveness in the bulk commodity markets. Many presenters argued for smaller tenures, smaller and more labour intensive plants where investment would lead to a greater employment return to the local economy of resource based communities.

> I'm from Port Alberni, and MacMillan Bloedel has recently released its financial statements and indicates in it that they invested some $323,000,000 in capital expenditures. It's a commendable investment. But what was the investment in? It is primarily in high-tech upgrading of pulp mills, and in the final analysis will result in few jobs. We couple that with the known fact that we have an under-investment in the growing of wood, and it's obvious that where the corporate sector is moving the province is towards cheap fibre, as cheap as they can possibly get, of pulp quality wood to run through high-tech, low employment pulp mills for maximum profit. And that, sir, will not employ enough British Columbians.
>
> *Gary Swan, Communist Party of Canada*

* actual incentive to produce increased value-added products

Concern was expressed over the effectiveness of the 10% AAC holdback as an incentive to reorient the industry towards major investments in value-added products. Views were expressed that a more effective vehicle for addressing diversified small specialty markets would involve tenures and conversion facilities of a smaller scale and with local labour intensity.

> In my opinion, the proposed policy, Mr. Minister, should be abandoned. Value-added will take place without Ministry intervention. Instead, the policy should be directed toward building a strong, open log market, achieving full utilization of the timber crop and making room for new entrants to the industry.
>
> *Mr. T. Wright*

> The objective to increase secondary and tertiary manufacturing is a sound one. However, there's considerable doubt that the procedure proposed will achieve that objective. A licensee can obtain a tree farm licence representing 95 percent of the present allowable cut with no commitment to secondary or tertiary manufacturing, based on the basic 90 percent plus five percent due to the improved utilization and mill-over capacity.
>
> If new tree farm licences are to be issued there should be a direct relationship between secondary and tertiary manufacturing and tree farm licence establishment. For example, if a company agrees to produce 100,000 cubic meters of further processed forest products annually then 100,000 cubic meters should be considered for allocation in a tree farm licence. If no secondary or tertiary manufacturing is planned then no tree farm licence would be considered.
>
> *Ruth Madson, Thompson Watershed Coalition*

> One of the aims and objectives of the policy was increase the amount of secondary and tertiary manufacturing of wood products. Increasing manufacturing wood products is directed in one area only; pulp and paper productions. We suggest that not enough information has been gathered as to how many new sawmills or plywood plants are in the same process, how many small remanufacturing plants or furniture factories or pre-built home factories, shops, home trailer manufacturers, box wood container shops are being planned?
>
> *Tom McCrea, Mayor, Tahsis*

> ...Is 10 percent of the annual allowable cut enough to warrant major investment? Given that the major producers can get back five percent by demonstrating that existing plant capacity could use the wood, we are left with providing perhaps five percent incentive for investment. I doubt that five percent of the annual allowable cut would be enough to produce the kind of investment that we need to see if our forest industry is to remain viable.
>
> *Dominique Roelants*

Much of the wood from TFL's is shipped out as 2 X 4's, not directed to secondary manufacturing to create jobs. In fact in my area surrounded by lodgepole pine a local furniture manufacturer is unable to purchase lodgepole pine because it is all being shipped out to the States.

M.P. Johnston, Summerland, B.C.

When we approach the local mills, they tell us that all their production is committed to export. We feel that the local market deserves to receive a portion of their production. At the present time we place orders for clear lumber and are told that delivery is on availability of materials.

E.V. (Ted) Wheatley, Fraser Millwork, Vancouver, B.C.

To achieve the government objective of value-added manufacturing, I suggest that you continue encouraging new entrants to enter the forest products manufacturing business on their own or in partnership with existing primary manufacturers under the Small Business Forest Enterprise Program. The timber for this purpose should come from presently uncommitted AAC's where such exists, or opportunity wood not presently utilized, and possibly a substantial take-back on sale of major forest tenures from one licencee to another, except where family transfers are involved.

John Szauer, Professional Forester, Williams Lake, B.C.

5. The Policy would lead to increased employment and community stability by providing long term security to the licence holders upon whom local employment is based.

Tolko believes that the tree farm licence tenure will stabilize our long-term relationship with our hourly workers, contract workforce, and customers. Security of employment will be realized through re-investment in a secure, well-defined land base afforded by the tree farm licence tenure.

Randy Chan, Tolko Industries Limited

While we support the general concept of tree farm licences, we feel that companies which are given the right to harvest large areas of our forests should be obliged and required to work with the communities which house and service their people. There should be some form of public municipal monitoring of the allocation process to ensure that these companies live up to their obligations.

There should be public municipal participation in planning and allocating annual allowable cuts, so that the long-term viability of these resource-based communities is not endangered by "cut and run" practices. With full public municipal participation, inventory of available timber could be allocated in a manner which would reduce the roller-coaster effect of "boom and bust." Municipal, regional educational, recreational, health, and social services could be planned intelligently. Workers could plan their lives,

> buy a house, arrange for their children's education,and enjoy a stable standard of living without the spectre of some distant head office deciding to "shut'er down."
>
> *Gerry Furney, Mayor, Port McNeill*

> We propose that prior to any further consideration of converting timber licences that companies be requested to indicate what commitments they are prepared to make to our community or others nearest their operations. Specifically we would suggest that those companies that do not as yet maintain administrative offices in the area be asked to decentralize and relocate the appropriate personnel to Port Hardy. Isolated northern communities such as ours have only one significant reason for existence: our abundance of resources. Whether that be timber, fish, or minerals it is reasonable to expect that those companies who wish to harvest those resources make a formal commitment to our region.
>
> *Al Huddlestan, Mayor, District of Port Hardy, Port Hardy, B.C.*

* actual experience of forestry based communities

Spokespersons for resource based communities gave mixed reviews to the actual impacts of large area-based tenures and the accompanying plants on their economic security. Examples of good corporate citizenship were presented which demonstrated not only stability of economic development but concern for employees and industrial participation in providing road infrastructure, community facilities and social amenities. These reports were contrasted in other communities by reports of broken promises, employment decline, closed plants and unsaleable real estate. The picture presented was one of inconsistency of practice and concern that once area-based tenures have been granted, the tenure-holders are free to follow economic or forest harvest and conversion paths that may diverge from the original intent of producing community stability.

> Looking at the social and economic benefits, the tree farm licence tenure creates economic security for the company which in turn provides security to our employees. Crestbrook employs at our tree farm licence number 14, six staff; 36 hourly and woodsmen contractors; the staff consists of a tree farm licence forester and planning technician, area forest superintendent and two harvesting foremen, and a field clerk who all live in the community. Our woodsmen live in the vicinity of Parsons, they all identify with the forest, as they live near, work, and recreate within the forest. They can see and appreciate the fruits of their labour. Crestbrook is the largest employer within the immediate area, contributes to the community facilities and programs. Crestbrook has been able to offer continuous yearly employment because of its secure timber supply base. This resulted in virtually no turnover of staff or woodsmen.
>
> *John Murray, Crestbrook Forest Industries Limited*

We are committed to maintaining Woss. This commitment was illustrated by the connection to B.C. Hydro power in 1988 and the current program of upgrading houses and services in Woss.

Many other employees live in the nearby communities of Port McNeill and Sayward. Seventy percent of our supplies and equipment are purchased from local suppliers in Campbell River, Port McNeill and Port Hardy. All of these communities are dependent on the stability that a TFL provides.

Wayne Green, Planning and Development Manager, Englewood Logging Division

Generally, the forest companies, particularly the TFL holders and their major contractors, have given long-term support to the north Island and its communities and we expect that this will continue. We believe that the conversion of timber quota to TFL will enhance the position of the forest industry on the north Island and allow for continued support of our local communities. Forests managed under TFLs ensure a higher and more consistent degree of silviculture. There are virtually no unsatisfactorily restocked lands in the TFLs on the north Island.

Bill Shepherd, Regional District of Mount Waddington

The town I live in is dying. It is slowly, inexorably being turned from a thriving community into a ghost town. Tahsis is one of those communities common to British Columbia, a one industry town. That industry, a sawmill, has shrunk from 750 employees to 150.

When Canadian Pacific Forest Products first began its modernization of the Tahsis sawmill it said it was making a commitment to the people and Village of Tahsis. It has honored that commitment by eliminating 600 jobs and plundering TFL 19. How can the Province allow the communities within TFL 19 to die while the best logs from that TFL are being shipped to mills in the lower mainland and overseas?

John A. Leach, Tahsis, B.C.

It was a fact that Zeballos was located within a forest of fine timber such as to be the envy of the whole world. It was promised that the harvesting of the timber would be to the benefit of the communities within the TFL, while it was indicated that companies'management of the TFL would produce benefits akin to the manna from heaven. The proposals we have before us today are alarmingly similar. We know from bitter experiences that these promises are not enough.

...All financial institutions in Campbell River, banks, credit unions and trust companies, refuse mortgage money for Zeballos properties. A community cannot survive long under these conditions.

What is occurring in Zeballos should serve as an illustration of what can happen to all, any small community on any other TFL should that other company choose to act in the same manner. The question should be asked: Since it was Ocean Falls yesterday, will it be Zeballos today, or Tahsis tomorrow, and will it be Sayward's turn next week? Are we going down the tube one by one?

Sam Rogers, Alderman, Zeballos

> Mackenzie has thrived, over its brief 23-year history, because of the forest industry, and that the dedication of astute major employers, Fletcher Challenge Canada and Finlay Forest Industries. The high level of responsibility and good corporate citizenship demonstrated by these companies has created an atmosphere of confidence that has enabled the community leaders to provide for the development of excellent recreation and other facilities to service the people of Mackenzie.
>
> It is essential that the long-term tenure of forest resources be made available to these companies to promote continued confidence, and to ensure the future viability of our community. Mackenzie has a diverse population who recognize their dependence on the forest industry, but who also recognize the need to protect the environment they live in and understand the importance of ensuring a suitable development of forest resources. Our position is: the Council of the District of Mackenzie wholeheartedly supports the concept of tree farm licences and is confident that upon conclusion of these hearings, it will be clear that the tree farm licence process will prove beneficial to the province as a whole through increased economic development, improved management of all natural resources, and enhancement of the forest lands by intense reforestation practices.
>
> *Doug Munroe, Deputy Mayor, Mackenzie Municipal Council*

* actual trends in security of forest based employment

Presentations were made that illustrate the continued decline of traditional forest based employment. Increased automation of conversion plants, increased use of large harvest machinery, and reliance on large scale continuous clear cutting were cited as practices furthering this trend. The granting of large scale area-based tenures and the subsequent stimulation of new plant development was not seen as a guarantee of increased employment but rather as a device for increase of profit. On the other hand, presenters emphasized that the incentives for increased intensity of silviculture and the development of secondary products along with the support for small business development would provide a new generation of forest based jobs. The difficulty of this transition for specific worker groups, the fears of substantial differences in wage structure, the security of union contracts and the unions themselves, and the concern that the net result will be decline in overall employment was a major theme of the sessions.

> The B.C. government and many other governments in Canada and abroad have attempted to stimulate economic activity and jobs by enticing multinationals onto the scheme, with the expectation that jobs will be generated as well as profits. But increases in mechanization have reduced the number of jobs per unit volume of timber cut. If one calculates the amount of government subsidy, including tax writeoffs and foregone stumpage fees and the like, it is by no means clear that the government is obtaining a reasonable number of jobs created per unit of public investment.
>
> *Donald Ludwig, Professor of Mathematics and Zoology,*
> *University of British Columbia, Vancouver, B.C.*

> Let me give you a very recent example of why we fear the worst without public control over our public resource. In the fall of 1987, B.C. Forest Products, Elk River division, which is now Fletcher Challenge in the Campbell River area, announced that they were going to go to a sustained yield policy. Imagine that, 1987, they are now going to go to sustained yield. Surprise. And that would reduce the workforce by 40 jobs, and they would log 220,000 cubic metres per year. Imagine our dismay, imagine our anger, our frustration when Fletcher Challenge told us on March the 3rd, 1989 that, and I quote, "The numbers we had then weren't quite correct," unquote. And the sustained yield of Elk River forest lands was now going to be 80,000 cubic metres per year. Now, just stop and think about that for a minute. Somehow, these experts lost 140,000 cubic metres per year. Where did it go, and what kind of games were being played on that managed forest lands, which I should say to get a substantial tax break on and pay approximately $1.50 an acre in taxes to the Town of Campbell River.
> *Sy Peterson, President, Courtenay International Woodworkers of America, Local 1-363*

> But if we compare B.C.'s record with that of Sweden, the dramatic extent of our failure in terms of job creation becomes apparent. In 1984, with about half of our land base, Sweden produced 206,000 forest industry jobs from an annual cut of 75 million cubic meters. With an equivalent annual cut here in B.C., we produced only 75,000 jobs, about one-third. Fifty-eight thousand of those 206,000 Swedish jobs were in forestry alone, resulting in a continuing annual growth in standing timber. Swedish jobs are therefore sustainable.
> *Klaus Offermann, First Vice-President of IWA Local 1-405*

* community development as well as forest management targets

The granting of large area-based tenures includes substantial concern and an elaborate mechanism for the detailed management of the timber resource. Tenure holders are required to make contractual commitments and to submit five year management and working plans for scrutiny and approval. Public comment included the suggestion that employment and community development targets be included in the five year planning process and that the contractual commitments and regular scrutiny of practice apply to these aspects as well.

> I guess the issue of commitment of the length of the work here and the continuous workforce has been brought up many, many times. These commitments need to be written into the documents that create TFLs or continuing TFLs. These commitments for the company and for the Forest Service, have to be written in because if they're not written in, they don't happen.
> *Margaret-Ann Fiddick, Village of Gold River*

> On the five-year development plans within the TFLs, these fixed-area one-licencee tree farm licences, perhaps within the plans and within the Management and Working Plans or the development plans, some sort of employment standards that may include the numbers the company sees employing within the communities adjacent to the TFLs, -- some sort of numbers outlined and justified and even possibly monitored.
>
> *Catherine Gregory, Tofino*

> If the government does decide to go ahead with the TFLs conversion program, priority for awarding TFLs should be given to those companies that intend to provide the biggest increase in employment opportunities, the TFL should have penalty provisions in the event that the TFL holder does not follow through on their proposed investment, and the penalty must be severe, more severe than just losing the annual allowable cut that they gained by making the proposal.
>
> *Dominique Roelants*

6. The Policy would increase the range of employment opportunities in the forestry sector by encouraging expansion of secondary manufacture, increased intensity of silviculture and increased small business opportunities.

> The only way to ensure that job creation benefits the people in forest-based communities is to involve the smaller operator. Awards of tree farm licences to small, independent firms would satisfy the original intent of the public sustained yield unit to stabilize towns and maintain diversity in the forest industry. Small and medium-sized concerns, with their proportionally lower overhead and their closer relationship with the land are the very people most capable of the selective harvesting and custom milling operations which will become an integral part of tree farming in the future.
>
> *Christopher Ortner, Jackson Brothers Logging*

* increased jobs in silviculture

Recent emphasis on more extensive silvicultural efforts including site preparation, improvements in planting stock quality and quantity, reforestation and stand tending have led to the development of a stable new branch of the forest industry. It is argued that increased direct silvicultural responsibility for area-based tenure holders will continue this trend leading towards a permanent silvicultural employment base.

> Silviculture has become big business. We are only one of 25 companies in Prince George whose welfare depends upon the farming of our forests. We believe that the stability offered by the area based tenure or TFLs, that there will be an increase in silvicultural efforts by the licencees.

This will mean more money spent on silviculture, ultimately more income for my company, and greater security for my family.
Mr. Fred Diedrichsen, R.P.F., Bug Busters Pest Management

On this whole Island there are fewer than 70 full-time forestry workers out of a total of 15,000 IWA full-time workers. None of the non-unionized logging companies have forestry crews. Almost all silviculture work done on tree farm licences is done by contract by companies such as ours. In the spring, we move from job to job, spending from two to four weeks on a TFL contract, never to return to the same piece of ground. Even the forester in charge may only see that plantation two or three more times, and even then only for a quick walk-through. Most of the licencees have only one or two full-time foresters managing vast territories. Much of their work is in the office with very little field time. When you consider they must manage 500 to 1,000 hectares of new plantations every year, with a budget determined by harvesting-oriented management and accountants, it is a wonder how much they are able to accomplish. I have been told by several company foresters that the new regulations requiring the licencees to manage their own silviculture programs with infrequent auditing by the Forest Service means that they will be doing even less silviculture and more paperwork. They will plant few trees and rely to a greater extent on natural regeneration.
Ernie Yacub, Forests for Tomorrow

* increased secondary manufacture

The need for increased emphasis on secondary manufacturing and the development of specialized value-added forest products is widely accepted. Differences of opinion exist about the strategies for achieving this development. Some argue that the most successful approach will be by large industries with the capital to invest in the specialized new plants under the incentives inherent in the TFL conversions. Others argue that these investments will tend to be technology rather than labour intensive and will therefore minimize future job growth. They argue for a more labour intensive development involving smaller tenures, greater intensity of utilization, more competitive bidding and therefore more incentives to increase the value that can be achieved from a given wood supply.

The progress towards a greater proportion of value-added products is seen on the one hand as a hedge against the fall in value of timber when the old growth is depleted and on the other as a reason to retain old growth as a source of high quality wood for future value-added products.

> We are the growing industry in the province, we are the people who are employing more and more people, while the major companies are using computer-operated sawmills to make low-value products out of decent logs that could go to smaller business at a higher price. The government could get far greater returns for the resource if the wood was put out to bid, and not just some of it but all of it.
>
> *Ian MacLeod, Victoria*

* concerns of the small business sector

The small business sector is concerned about accessibility not only to wood supply but about the quality and species profile of that supply. They are concerned that adequate provision will be made in the timber allocations within large TFL's for truly useable wood supplies. They are also concerned about the inflexibility of the rules for access to woodlots, the high costs of bidding, the high costs of stumpage and the potential for capture of the small business allocations by larger enterprises by proxy or by economic control. Arguments were also advanced about the capacity of smaller firms to live up to the increasingly intensive silvicultural standards for rehabilitation of harvested lands.

> The SBFEP was put across as a way for the small free enterprise entrepreneural mill operators and loggers to remain as an independent part of the forest industry, as they have been since the start of the forest industry in B.C. The real intent is to feed the SBFEP volume of timber to the large tenure holders. The bidding for the SBFEP wood is so intense that the small operators are left to bid themselves out of business and the large tenured multinationals, hiding behind low stumpages and abused responsibility, are there to pick up the volume....You have now and are going to give the majors half of the small business wood through the back door. The other half they will eventually get by default due to their ever increasing surrogate bidding.
>
> *Ewald Hubert, Patrick Soles Lumber Ltd., Parson, B.C.*

> When I take on a timber sale there are only three levels of financial transaction: stumpage, trucking, mill-rate. When a large company removes the resource there are literally hundreds of levels of financial transactions and one of them may very well be in their conversion which the government has no way of really monitoring. For instance, some mills tell us they recover no more than five hundred board feet for every hundred cubic feet of timber and others tell us they remove over seven hundred board feet/cubic feet (or 2.83 cubic meters). So I am suggesting that there are levels in the superstructure of their business that they can shave a dime as it were, not necessarily cheat but there are areas where they come out ahead of the simplistic formula they began with which is ....to manufactured board feet resulting in a profit margin. Put very simply, we know something is strange when they can still be making large profits when the basic stumpage has been increased form 1.40 to 10.00 as it allegedly has. The proof in the pudding is that when I have to pay 10.00 that other 9.60 is simply removed from my income for the work I do and given directly to the government, there is no way for me to

recover a dime of that, it is a sort of payola I now have to pay in order to continue to offer my services in the woods.

Now I am a horse logger, I am limited by muscle power to a production level that is virtually impossible to significantly increase. Stumpage quadruples and I make four times less for the work I do than I did before. Stumpage quadruples for the large companies and the larger they are the more ways they have to shave a dime and they make profits, so does central government, you guys, you have your holiday in Hawaii, your medical, your dental, your expense account, and your inflated pension plans, the independent contractor has absolutely nothing more than he is able to make from the difference between stumpage, trucking, and the rate the mill will pay him for the wood.

Lorne Dufour, Horse Logger, Williams Lake, B.C.

There are two areas of concern in the procedure of the Small Business Enterprise Program which we would appreciate you giving consideration. One, some method of control in the Small Business Enterprise Program bidding process which would stop the large operator, big money monopolization of the small timber sales and assure a wood supply at reasonable price to the smaller operators.

Number 2, guidelines to provide assurance that timber made available to the Small Business Enterprise Program by the 10 percent provision of a TFL is of merchantable quality to be utilized competitively by the small operator participant.

Dick Smith, Mayor, Salmon Arm

This has severe implications for the Small Business Forestry Enterprise Program whose existence is threatened by a diminishing land base. If the small business program cannot be maintained, the existence of the independent forest companies is threatened and a way of life vital to coastal British Columbia will disappear. Policies of the Ministry establishing the operation of the small business program on TFL lands are unacceptable. This policy direction serves only to make small B.C. owned independent forest companies, sharecroppers to the foreign multinationals on Crown owned lands.

Rick Jeffery, Coast Forest Management, Parksville

Small operators like myself in the last five or ten years, we lost our ability to bargain the value of our labour. Like, I get up in the morning and I go out and I sell logs, and ten years ago I could sell them to Louisiana Pacific or to Hadigan Bros. or to T & H or to KFP or to Slocan Forest Products or to Pete Kalisnikopf and industry kind of gobbled each other up and shut each other down and bought out their quotas until in each valley, everybody that's like me has got only one buyer for our labour, so we can't bargain for our work anymore, we just work for the lowest bidder, the only bidder.

Mr. Corky Evans, Nelson, B.C.

There is one more problem I wish to address to you today. This has to do with the Small Business Forest Enterprise Program. Our small company pays an annual fee to the Forestry for the privilege to hold a number and the right to bid on Timber sales offered under this program. Our success in this venture has been absolutely nil! We see the advertisement for the sale, travel to the Forestry office, which is located outsife our town now, proceed to the site and assess the viability of the sale. From this point on, we lose! We call the local sawmills to determine the price offered for logs. Based on these prices,

> we make a bid for the sale. We attend the sale at the Forestry office only to find we have bid far too low. The winning bid represents a far larger amount of stumpage paid to the government than we can afford to pay, given the meager market price offered for logs. This stumpage is also many times larger than the stumpage paid by the licencees under TFLs or FLs. How can some loggers bid so high and win so many sales? Are they getting a better price for their logs from the sawmills? Why are most sales going to such a small number of small businessmen? I estimate that in our area, about ten percent of all SBFEP licencees hold the majority of sales.
>
> *Darlene Gudeit, Lumby B.C.*

> In the last few years, the Ministry has made sure opportunities for the small operators are not possible, through changes in regulations and policies that govern the Small Business Enterprise Program. The companies have selected small operators registered under the SBFEP to buy the timber sales for them and squeeze out other operators who are not in the companies' favour. Now the large forest companies have control over the small business wood.
>
> *Jim Tourond, Burns Lake, B.C.*

* concerns about the transfer of jobs from high wage to low wage status by transfer to small business from major firms

The rationale that the small business initiatives will lead to increased employment is challenged by some presenters. They feel that by re-allocating wood supply from major firms to small businesses that the jobs will be merely transferred from high wage status to low wage status and that the net employment earnings will not be advanced. They feel that the stability of employment will be reduced rather than enhanced by the transfer of jobs to the small business sector.

> This shift in priorities inevitably transfers stable jobs in stable companies to unstable companies with poor employment track records. And our Local Union has seen this happen repeatedly under the small business program.
>
> *Nick Dubenon, Second Vice-president, Local 1-71,*
> *International Woodworkers of America*

> Now, in regards to the across-the-board taking away of harvest cutting rights from the TFLs and other forest tenures and giving them to the small business program, the Council and the residents of Sayward do not support these recent arbitrary reallocations of harvest. This has, and will, directly result in the arbitrary reallocation of jobs out of small communities like Sayward.
>
> *Jim Loftus, Mayor, Village of Sayward*

* concerns about security of contracts for contractors

Logging contractors represent a substantial part of the harvesting capacity of the province. Concerns were expressed about the security of the contracts under which they have customarily operated. Questions of parity between coast and interior, the transfer of informal contracts to formal written contracts, the need for some effective means of arbitration of contract disputes are all made more urgent by the proposal to increase the land base held by large companies.

> In the same sense that the forest companies achieve stability from long-term commitment to public timber in TFL lands, we request that the Ministry ensure that contractors receive security. Many of the contractors' operations pre-date the existence of the company they are presently working for. These and other contractors need some type of arbitration system which will give them a strong, secure bargaining position with the TFl holder.
>
> *Bill Shepherd, Regional District of Mount Waddington*

> A concern for us is the local contracting. One of the problems that happens when one major forest company owns the bulk of the resource, is that they also control the bulk of the contractors and they control the prices. And we want to caution that there's a real danger that, without good management, often the forest company can exercise undue control over local contractors. It is obvious that the more competition, the better it is in a free-enterprise system.
>
> *Doug Weir, City of Revelstoke*

PART II
RESPONSES RELATED TO THE GENERAL RATIONALE FOR TREE FARM LICENCES AS A FORM OF TENURE

> TFLs reflect a partnership between the tenure holder and the B.C. government, setting down all the rights of the tree farm licence holder and other responsibilities and obligations, including harvesting rights to timber in a defined area, some security of tenure in the form of a 25-year licence to harvest timber; delegated responsibilities and obligations to undertake and pay for forest development planning and managing of a new crop and meeting forestry performance tenures established and audited by the Minister of Forest. Adherence to the regulatory guidelines established by other provincial government agencies on forest harvesting and management activities. Requirements to ensure integrated use, public access and ongoing public involvement in the management of tree farm forest land. Maintenance of employment opportunities in a particular region. Together, these rights and responsibilities impart a genuine sense of stewardship on the licence holder.
>
> *Steve Tolnai, Chief Forester, Weyerhaeuser Canada, Kamloops*

> The public ignored forestry for generations. The forest sector mistook that silence for popularity. Bad logging and single use occurred and are not yet totally ended. Cynicism and opposition is still widespread. But tree farm licences provide some of the best examples of sustainable forestry in Canada. What we need is continued improvements in those standards of management, and I believe that a mix of woodlots, small business, timber sales and tree farm licences is the best choice for B.C.
>
> *Mr. Halleran, President, West Kootenay Outdoorsmen; Executive Director, B.C. Environmental Information Institute; Westland TV producer*

1. Tree Farm Licenses are an appropriate strategy for managing a public common property resource on a sustainable basis.

* managing the commons

Volume based tenures are presented as a recipe for the "tragedy of the commons" in which profit from improper exploitation of timber on untenured crown land accrues to the exploiter while the losses are spread thinly over the entire community. The long term result is degradation of the commons for all. Area-based tenures, such as TFL's, are seen as the antidote to the "tragedy" because stewardship is fostered by the internalization of both short term benefits and long term consequences. It is generally acknowledged that the best stewardship tends to appear worldwide on private lands.

This compelling theory comes under criticism when the area-based tenure is held by large multi-national firms whose concern for the next rotation may decline if the profit returns to the offshore shareholders on the second crop can be exceeded by reinvesting in some other marketplace. Many presenters are concerned that significant investment in silviculture for an 80 year rotation will be unattractive once the highly profitable liquidation of old growth forests has been completed. The "tragedy of the commons" is seen to be fostered at the economic level by large scale absentee ownership of area-based tenures from which the profits are expatriated rather than reinvested.

> In British Columbia, where 94 percent of the forest is publicly owned, the tragedy of the commons suggests that individual desires by the people of British Columbia, to have government create more jobs, and deliver greater tax benefits, will result in increasing use of the Crown forest to the point where productivity will eventually be destroyed.
>
> Hardin indicated the only feasible way to prevent over-exploitation was to divide the commons and fix access by some scheme of licensing for specific purposes. In a more optimistic paper, Peter Pearce reviewed the problems of managing common property resources and also concluded that a form of licensing, involving some exclusivity of access was essential to the management of a common property resource. Both argue that stewardship requires a vital economic stake in the resource that is to be managed. They conclude that with a common property resource, such individual stakes have to be created by policy in order to prevent over-exploitation, and to achieve management.
>
> Volume-based tenures have the characteristics associated with the causes of the tragedy of the commons. Area-based tenures have characteristics associated with preventing the tragedy of the commons.
>
> The evidence also indicates that the most effective way to manage publicly-owned forests is to have each user of raw materials committed to his industrial survival based on his own ability to manage a fixed portion of the land base.
>
> *Gordon Baskerville, Forester*

> We feel that the long-term planning base will allow TFL holders to address other resource user concerns more effectively, and manage the land to higher standards. A few examples might be the more effective cooperation with Federal Fisheries on salmon-bearing waters; better planning with the Fish and Wildlife Branch to maintain an enhanced wildlife habitat; better watershed management; more involvement in the planning process with other resource users such as trappers, miners, and grazing, for example, leaseholders.
>
> *Al Coombes, General Manager, Weldwood's Cariboo operations, President of Cariboo Lumber Manufacturers' Association*

> The resource management issues have already been raised but to briefly summarize, forests are complex ecosystems; they are not tree farms. Economically, forests have much more to offer than just their timber. In particular, tourism employs 33 percent more people than the forest industry in B.C. Socially there are many non-monetary values to our forests which are extremely important to us and most British Columbians. Ensuring that this complex and common resource is managed in the interest of society as a whole for this and future generations, is public trust and responsibility. Private, profit-oriented enterprises cannot be expected to adequately reflect broader social interests. They cannot be expected to adequately weigh non-monetary values, nor costs, nor even benefits external to their own enterprise. With international investment opportunities, they cannot be expected to forego returns here, nor to reinvest in uneconomic, long-term environmental rehabilitation.
>
> *Mary Thomas, Caribou Tribal Council, Williams Lake, BC*

* the public concern for sustainable development

The criterion of sustainability is being applied to forestry practices with increasing vigour since the publication of the Bruntland Commission report *"Our Common Future"*. Many presentations question the sustainability of our forests under harvesting practices that degrade soils, habitat disturbances that reduce the survival potential for species, clearcuts and slashburns that have impact on the atmosphere and the use of pest controls that are non-target specific or which become widely distributed in the environment. Presenters emphasize that this province must contribute actively to the overall biophysical security of the planet. These views are not put forward as lifestyle preferences of minorities but as the fundamental concerns underlying global survival.

> This is really a crucial time for British Columbia, for North America. We are in a time of global transition, from wasteful, distrustful societies to sustainable ones in balance with nature. Social attitudes are changing rapidly and radically. Survey after survey proves that Canadians place the highest value upon the preservation of species and environments. We are only beginning to comprehend the complex interactions among species and stable ecosystems, and the consequences of interfering with those ecosystems, although depletion of the ozone layer, the greenhouse effect, and accelerated species extinction could certainly be called warnings. It is critical that we preserve as much as possible the bio-diversity unique to British *Columbia*...
>
> *Trudy Frisk, International Liaison, Green Party of British Columbia*

> Despite widespread public dissatisfaction, the use of chemical methods of vegetation control is increasing within the region each year. Broadcast spraying, primarily from the air, is particularly indiscriminate. It kills non-target plants which are essential for the food chain and habitat on which wildlife depend.
>
> *Jay Butcher, President, Thompson Nicola Local, B.C. Trappers' Association*

The effect of the overcutting of our forests, mostly by large non-B.C. owned companies, but with government complicity, is, I am sure, contributing to the chemical, biological, and climatic changes responsible for the onrushing global crisis. Do we have the right to tamper with the natural world in such a way that it significantly affects others on this planet? How can we complain about the cutting of the Amazon forests, toxic chemicals, acid rain, and radioactive wastes when we may be contributing on the same scale to our mutual doom?

Ray Hill, Victoria

...When people change one part of the forest, all parts are affected. Thus, we must interact with the forests in a careful, caring manner that protects all forest functions and components. Holistic forest use proposes that we zone forests for a variety of activities on a watershed-by-watershed basis. Timber extraction is only considered as one possible forest use, and is recognized as having potentially large negative impacts on the future growth of trees and these other forest uses such as fish and wildlife habitat, trapping, and tourism. Holistic forest use recommends that we abandon harsh practices such as clear-cutting, slash burning, pesticide application, and high grading,removal of only the best timber. Where timber extraction is determined to be an acceptable use of forests, selective logging methods are used and all logged trees are utilized, regardless of the quality or size. Sustainable parts of the forest, usually entire watersheds, are zoned or planned for non-timber uses such as cultural/spiritual places, water supply, fish and wildlife needs, soil protection, trapping, and various forms of tourism. Some of these uses have dollar values; others do not. All of these uses are vital for human needs and the survival of the earth.

McKinnon Jack, Ulkatcho Band of Anahim Lake, Williams Lake, BC

What profiteth the people of B.C. to gain a whole corporate world if we lose our forests? Forest is a vast word and a vaster entity. It encompasses many kingdoms. It is the climate regulator, the soil-maker, the erosion-controller, wind-restrictor, seed carrier, animal shelter, bird habitat, loggers' resource, carbon scavenger, water reservoir. So the question more than retains its pertinency, its integrity. What profit indeed, Mr. Parker?

Beth James, Arrow Lakes Environmental Alliance

2. Tree Farm Licences transfer forest management responsibility and costs to the licence holder while ensuring effective accountability to the public for use of the resource.

I would like to have a chance to go through a PHSP, a preharvest silviculture plan prescription, with a few of these people and realize just how many points have to be considered and in many places the forester has to consult with other resource agencies and how many he has to be answerable to in order to get approval for a PHSP, or for a cutting permit; or for a five-year development plan; or for a Management and Working Plan.

Terry Smith, Kamloops, B.C.

* who actually pays for silviculture costs?

"Who actually bears the costs of silvicultural investment and to what degree" is a question that recurs frequently in the public discussion. Does the new policy implemented in 1987 that transfers replanting costs to licencees actually transfer costs to the private sector, given the practice of including silviculture costs in the calculation of stumpage? Who pays for the cost of rehabilitating NSR lands that have accumulated under the management of companies that are now applying for new TFL's? Why is the amount of stumpage charged to small business allocations so much higher than that which appears to be charged to large corporations? These and many other similar questions appear regularly and illustrate an often expressed need for an understandable public accounting of public and private costs and benefits under existing and proposed tenures.

> The handouts we receive from the Ministry tell us that under a TFL, the licencee is responsible for all basic silviculture and for protection of the crop. That's partially true. On page 8, section 3.7 of your "Background Information" handout it states, *"The licencee has to pay for basic silviculture, but the cost is part of the cost used in the calculation of stumpage rates."* They are responsible for silviculture, as they are presently under their TFL's, but the wood, the Crown resource pays the cost, not the licencee. I see no advantage to the province here betweeen FL's and TFL's.
>
> *David Nelson, Prince George, B.C.*

> The information states in several places that the forest industry or the licencee or the companies pay for reforestation and other basic silviculture costs. On close examination, it turns out that it is the resource, in this case the timber, that actually pays for basic silviculture, including reforestation. This is so because an allowance is made in the timber appraisal formula for silviculture purposes, the effect of which is corresponding stumpage reduction. It is assumed that tree farm licence and forest licence holders will spend this money on future silviculture projects.
>
> In the case of small business licence, a silviculture levy is added to indicate the stumpage payable shortly after logging and, as I indicated earlier, there is a bonus bid if there was competition on the sale. Now, there is nothing wrong with this principle; I'm not saying that. What I am saying is that I just want to make it clear that as far as I can see, our timber actually pays for the silviculture costs.
>
> *John Szauer, Professional Forester, Williams Lake, BC*

- **concern about the effectiveness of accountability provisions dependent on self-analysis by the licence holders**

One of the main features of the TFL system is the transfer of responsibility for environmental and forest data collection functions from the Forest Service to the tenure holder. The requirement for public scrutiny is intended to be served by frequent review of five year management and working plans by government agencies and the public and by an auditing procedure effected by the Forest Service. Public confidence in this procedure is low due to the perception that companies will have too great an opportunity to police themselves. This concern is especially evident in regard to the collection of inventory data on resource values that may compete with timber values.

> I like the idea of a well-managed forest, forest forever motivated by a desire to make a profit from good management practices. You plant, you fertilize, you treat disease, you harvest. You get a maximum yield from your carefully, expensively tended crop. I also like the aspect of accountability. If you do a poor job of your forest management, or if you can be shown that you're harbouring the resource for future development then the line can be taken back and awarded to another. This is in keeping with the centuries-old philosophy of retained public ownership, that would run: *He who wisely manages the resource so as to maintain its continuity, shall use it in perpetuity.*
>
> *Murray Sallis, Social Studies Teacher, Kamloops*

> Over the past few years, the Forest Service has already been ceding its responsibility to the citizens of this province by allowing the forest companies to plan their annual harvest with minimal input and control from the Forest Service. This abdication of responsibility by the B.C. Forest Service is not the good hands-on type of management that is required to maintain the necessary vigil for the Forest Service's employers, the people and voters of British Columbia.
>
> *Lance Hamblin, Hamblin Industries, Houston*

> Here on the Queen Charlottes, some of the worst forest management occurs on land that is privately owned by a multinational forest company. On the isolated portions of the TFL's, where there is little public scrutiny because of access and only infrequent government agency review, there are many examples of poor practice. The poor utilization practices seen here as response to the policies of 'sympathetic administration' are typical of what happens when government involvement is reduced and greater responsibility is given to TFL licencees.
>
> *Keith Moore, R.P.F.*
> *Environmental Forester, Queen Charlotte City*

> The licencee's accountability would be well defined and auditable. We believe that, through the public hearing process in each of the six regions, many of the misconceptions about TFL's will be dispelled and the public will come to realize the major benefit of licencees assuming greater forest land management responsibilities.
>
> *Brian Quick, Babine Forest Products, Burns Lake*

> Policing of the resource on the TFL also concerns me. I am told that licencee's perfromance will be 'audited' annually and fines, AAC reductions, nasty notes, etc., will be handed out based on their report card. I feel this is inadequate. The TFL system moves us closer and closer to a 'paper supervision' of Forest Tenure and farther away from physical 'on site inspection and enforcement by Forest Officers-- Forest Officers who have the freedom and power to enforce. This has been a continuing trend since the mid-seventies. We need more Forest Officers on the ground, looking after the interests of the public resource, not more forest 'auditors'.
>
> *David Nelson, Prince George, B.C.*

> Let me state at the outset that I am against the privatization of the forest industry.... Our forests, firstly and rightly, belong to the people, and their use should be controlled and managed by the people (which the government nominally represent) and by the peoples' intent.
>
> Forest companies do not exist to serve and attend to the will and direction of the populace, but to the will of the shareholders... If anything, we should be giving more power and manpower to the Ministry of Forests, and encouraging better planning and management of OUR resource.
>
> *Marcia Wolter, Quathiaski Cove, B.C.*

* concerns about professional independence and the freedom to speak out on forest management issues

Frequent reference is made to conversations with professional foresters which cannot be attributed through fear of repercussions. The existing degree of professional independence is perceived by a wide cross-section of the public to be too limited to allow for serious debate on the issues of the day.

> And I say to them, "Why don't you do something about it?" And do you know what they say to me? They say, "I'm afraid of losing my job," that's what they say to me. "I'm afraid of losing my job." Do you know what we need? We need an independent ombudsman system in this province to deal with problems in the forestry section, so that people in the forest Ministry can go and speak their mind without fear of recrimination and reprisals.
>
> *Ron Jarvis, Parksville*

3. Tree Farm Licences are an effective vehicle for ensuring high standards of forest utilization, silvicultural practice, and environmental management practice.

> Although MB has been a keen supporter of the TFL tenure system, we must state clearly that the steady erosion of licencee's rights over the past decade, and in particular, since September, 1987, has given us pause for thought. Indeed, several recent policy initiative have substantially shaken our faith. First, the expropriation, without compensation, of five percent of our Crown tenure concurrently with our investing a further $100 million in value-added solid wood products. Second, the disincentives to practice incremental forest management. Third, the excessive increases in royalty rates, which raised them to twice their traditional level in relation to Crown stumpage. And finally, the potentially dramatic increases in fixed costs implicit in regulatory changes affecting reforestation, utilization, and cut control.
>
> *Neil Brett-Davies, Forester, MacMillan Bloedel*

> B.C. urgently needs a Forest Practices Act, which explicitly defines what the standards are for all forestry practices in B.C., and which defines what forest practices are illegal and under what circumstances. Further, a Forest Practices Act should make provision for appropriately severe fines and/or jail terms for both the company, principals, and professional foresters responsible for infringements of the act.
>
> *Judy Ann Jachinow, Salmon Arm, B.C.*

* concentration of cut and high grading

There are frequent references in the proceedings to examples of the concentration of harvest in the most accessible land with the highest value timber. While the AAC is justified on the basis of the total land base the cut is concentrated on the most productive land. This practice ensures high short term profits but may leave a legacy of low value wood in locations that are expensive to develop. The end result is projected to be uneconomic forest profiles which are no longer able to support the harvest or mill jobs based on the AAC and failures of communities who expected a durable economy. This practice is seen by industry to be promoted by volume based tenures and discouraged by area-based tenures.

> Since there is no guarantee that the licencee will operate in a defined area for an extended period of time on a forest licence, they have a tendency to operate in the best timber and on the easiest terrain out of fear that they may have this area taken away in the next boundary agreement. There is no incentive to cut the forest profile within the boundaries. There is no incentive to practice intensive forest management because the gains may not accrue to the company doing the work.
>
> *Don Bennett, Woodlands Manager, Slocan Forest Products, Vavenby*

> A second major impact of tree farm licences would be to reduce the high grading that occurs under volume base tenures. The fixed area of a tree farm licence would encourage licencees to harvest timber from the complete profile. This practice would assist the overcutting, the potential scarcity of good timber that is developing because of current forest licence policies.
>
> *Brian Logan, Lakeland Mills Limited*

> *I*n large TFLs such as proposed for the Mackenzie if it does come to be, we feel that not only must there be a sustainable development with the whole TFL, but the TFL should be divided into smaller sections or divisions and these must also have sustainable development. What I am implying here is dispersal of cut throughout the whole TFL so that one area or division cannot be denuded and then the logging operation moves on, leaving behind a vast area of clear-cut which does not enhance other industries such as tourism, fishing, hunting, and trapping, for example, which supplement the income of the people in these areas and towns and cities.
>
> *John Bassingthwaite, Share our Resources Group, Port Alberni*

> High-grading - removal of the highest quality of most accessible forests characterize the forest development. While indicating an urgency to log lodgepole pine to control the mountain pine beetle, stands with a white spruce component actually have the highest priority. As a matter of fact, they just cream the best.
>
> *McKinnon Jack, Ulkatcho Band of Anahim Lake, Williams Lake, BC*

* rate of cut in relation to apparent flexibility of the AAC

Numerous interpretations of the provincial AAC appear in the record. Calculations of the provincial AAC are reported for regulated crown lands but totals actually cut are reported which include the amounts from private or otherwise unregulated lands. The confusion which surrounds this reporting leads many of the presenters to conclude that the annual harvest is well in excess of the truly sustainable AAC and is not effectively controlled. This adds to the public perception that the AAC itself is defined so flexibly that it can be revalued upwards for the most thinly justified reasons. One of the incentives generated by the TFL conversion policy is that companies may repatriate a portion of the 10% AAC withdrawal by actions to improve the factors that are used to calculate the AAC for the whole tenure. Given the widespread concern over environmental degradation from destructive logging practices there is little trust that the apparently easy increases in AAC will prove to be justified by the future success of the second or third rotations.

> You would have us believe that the Forest Service, as it is now structured, is capable of balancing the social, environmental, and economic interests of British Columbians. Consider this. In the 1950's your ministry gave two treefarm licences, Number 22 and Number 27, to Fletcher Challenge's predecessor company, B.C. Forest Products. These two TFLs are the ones where Fletcher Challenge admitted last month that the timber supply is seriously over-cut. Mills have been closed, hundreds of workers out of jobs. How has this happened? Is the Forest Service on sustained yield?
>
> *Vicky Husband*

> Our forests are being overcut. The AAC in B.C. is driven by the motive to increase profits, not by what is sustainable. Regardless of how you or the Chief Forester rationalized current cut levels, the fact is that are allowing the continual overcutting of our forests. Numerous R.P.F.'s that I have talked to agree.
>
> Integrated management is only given 'lip-service' by the Ministry of Forests. AAC's are generally determined with the assumption that almost all timber is available for harvesting. Other resource concerns are then considered secondarily.
>
> *Donna Golding, White Rock, B.C.*

* NSR lands

NSR, not satisfactorily restocked, is generally thought to mean that a defined standard of commercially desirable regeneration has not yet been established on the site. Problems which produce this situation include brush competition, site degradation and lack of natural seed sources. The amount of land actually in this category appears to some presenters to be as susceptible to recalculation as the AAC due to variations in the length of time allowed for natural regeneration to take place. There are questions presented which indicate that there is confusion about whether the amount of NSR land is decreasing or expanding, whether or not it is still being generated by current management practices in or out of TFL's and who pays the cost of rehabilitation. Reports were presented of overstocked land which are also not commercially viable without rehabilitative treatment. An open question is left as to exactly how much logged forest land is not currently in a state of commercially viable regrowth.

> The level of NSR forest land is still increasing, although at a lower rate. This applies to TFL's as well as other major tenures. (TFL #1 is one glaring example). The majors and the Forest Ministry who are responsible have left the expense of restocking the old NSR to the taxpayer. They have wiped their hands of it and now support new and longer tenures, with no real enforceable safeguards.
>
> *Ewald Hubert, Patrick Soles Lumber Ltd, Parson, B.C.*

> The total of B.C. forest land that is not satisfactorily restocked, NSR, is estimated at 3.5 million hectares. Instead of taking steps to ensure these lands are replanted, the Forest Ministry has tinkered with some definitions in attempting to make the situation look better on paper. For example, the NSR backlog used to be defined as coastal forest land that was not satisfactorily replanted three years after clear-cutting, or interior forest land not replanted satisfactorily within five years. During 1988, the Ministry changed the definition so that backlog NSR land now includes only land not satisfactorily restocked six years after logging.
>
> *Mr. Mullin, Pulp, Paper, and Woodworkers of Canada, Local No. 2*

> Within the TFL 23, we have two classes of land which are not properly restocked; the lands classified as not satisfactorily restocked, NSR, and those which are classified as disturbed stocking - doubtful, DSD. Within the TFL, a total of 17,616 hectares falls into that category. Now, I guess most of us, or at least those of us that are over 40, understand Imperial measures somewhat better, and of that 17,000 hectares, what it amounts to is 43,533 acres or the equivalent of 63 square miles within TFL-23 which are not satisfactorily replanted or restocked. And while that's the total TFL in our area, one which we're most concerned with, of course, is Revelstoke.
>
> We have a 30 square mile area that is not replanted properly and not growing trees for future generations. And not only that; I should add our analysis indicated that those areas that are not restocked are the better growing sites as well. The disturbing feature of all this is not the fact that there's such a large area not restocked, but this area is actually increasing every year, so we're not getting ahead of the game, we're falling behind in TFL-23.
>
> *Doug Weir, City of Revelstoke*

* effectiveness of reforestation activity

Numerous references are made to the substantial increases being made in the selective breeding, growing and planting of desirable tree species. Very large increases in stock development and planting effort are being made both as integrated efforts within companies and through private seedling growers and silvicultural contractors. Planting is becoming more scientific as the silvicultural prescriptions are tied to ecological analyses of sites and the seedling stock is matched to locations. This rapid improvement is seen as a major achievement.

Public concerns about the reforestation program include the lack of an objective performance standard against which to measure the reports of increased plantings and the potential vulnerability of plantation monocrops to future pests. As there are very few local examples of a completely managed 80 year rotation to use for comparison, the claims of reforestation success are difficult to interpret.

Here in British Columbia, our art and practice of silviculture has made enormous strides in recent years. Every single year since I started contracting in 1983, improvements have been made. We now work under high levels of controls and very strict standards. We have seen dramatic improvement in the quality of seedlings and stockhandling procedures and planting quality inspections.

Ross Styles, Silviculture Contractor, Executive Director, WSCA

It's not a pretty sight. We see the logging close up, not from a speeding truck or an airplane. We walk over countless cut blocks throughout the province and, yes, we get our hands pretty dirty doing it. We climb over the staggering number of enormous logs that are left inexplicably behind because of "market conditions." In B.C., good logging practices are the exception and not the rule. We see the results of bad logging practices, the creeks that don't come back after logging, the creeks that after logging flood and they're gorged with the soils of the cut block, the former forest soils that are now desert types, the former forests that are now brush fields,the escaped burns, the blowdowns and so on.

On January 25th of this year I went to your office, Harvest Branch in Victoria, to ask for both the Management and Working Plans of all the TFLs in this province. I wanted to both look at these plans which outline the five-year cuts on the TFLs as approved by the Minister, as well as the actual harvest figures for those five years. My intent was to compare what the companies throughout B.C. proposed to cut on their TFLs with what they actually did cut. Believe it or not, I was told that the Director ofthe Harvest Branch would not give out this information on the harvests on these public lands. The implication is that there is a massive overcutting in this province on the TFLs.

David White, Former Owner of Large Silviculture Contracting Business

It is rare that even a successful plantation reaches TSS, and a Free Growing stand is virtually non-existent. Organisms, even planted ones, resist uniformity, because the natural environment is not homogenous. We are often asked to do Free Growing surveys in selective cuts, but if a selective cut is done properly (not high graded) how can the current stocking standards apply? The Forest Service and Industry have set up the evaluation system to be biased against selective logging and for an agribusiness-style silvicultural system. No wonder companies don't like to log selectively- they are penalized for it, even if in the long term a healthier, less treatment-intensive forest results.

Ursula Lowrey, ecologist, Nelson, B.C.

- **effects of clear cutting and slash burning on environment and potential for future rotations**

Conventional wisdom has it that clear cutting is a normal and even essential harvest prescription for certain kinds of stands. Controlled slashburning is also presented as a valid site preparation tool when properly applied. Site location, soil conditions, stand maturity, stand health, resistance to wind-throw, existing species mixture and the desired future species mixture may dictate different treatments for silvicultural reasons. Certain kinds of cut pattern may be dictated by economic, technological or safety concerns. The choice between clear cutting and the various selective methods is not simple. The practice of forestry is filled with such complexity.

What concerns the bystanding public is the wholesale use of single prescriptions over the large areas encompassed by progressive clear cuts which pass over hillcrests, steep slopes and watercourses of every aspect without evidence of concern for the complexity of the environment. Soil erosion, stream degradation, nutrient export, loss of natural seed sources, extermination of habitats or microclimatic alteration are difficult to rationalize as silvicultural prescriptions. Many presenters see this kind of harvesting as being strictly related to efficient removal of the standing crop by heavy machinery and careless of the capacity of the land to produce future rotations on the schedules promised. Conversion of volume-based licenses to area-based licenses does not in itself address these issues.

> Get rid of the concept that clear-cut is the only way to go. Get rid of the concept also that old forests are decadent; it is only a matter of decadent brains behind the idea. Other countries are rapidly learning that three crops are all the soil will produce under this clear-cut technique, somewhat similar to B.C. The devastation, excessive damage by slash burn and the erosion which follows, and the length of time between cutting and planting in many cases, leads me to believe we will not get three.
>
> *Merv Wilkinson, Private Non-registered Professional Forester*

> Clear-cuts are a tough issue with no easy solution. As they are mostly the result of disease, pests, or shallow root formations, all we can do is recognize the special requirements in visually sensitive areas, and embark on a course of education to the public when clear-cut practices are a necessity.
>
> *John Managh, John Managh Contracting Limited*

* waste

The existence of waste is a matter of public record. Beyond some level of unavoidably damaged material, waste is not presented by anyone as desirable practice. It remains one of the consistent themes throughout the public sessions and is seen as throwing away jobs, revenue and other resource values for nothing. It is taken as evidence that the self-policing proposed for TFL holders is insufficient guarantee of good practice. Scaling the standing crop, more active promotion of salvage operations, better access for small operators to logged areas and more effective scrutiny by the Forest Service are presented as ways to address this problem.

> Recent disclosures of wood waste by MacMillan Bloedel on Haida Gwaii proves the mismanagement of our forest resource by multi-national corporations. The public has very little control on TFL lands, and fundamental issues relating to our forest resource must be subject to public scrutiny.
>
> *M. Hearne for Board of Directors, Islands Protection Society*

> Small business people should be permitted no cost access to logged areas- after the logging but before burning- to remove any waste wood left behind. The Province presently receives no value for the wood, yet it could create jobs from which the Province will create other taxes. There would be no additional costs to the TFL Holder, as their road costs, etc, have all been accounted for in the logging. The "scrap dealers" could use this wood for anything from major chip board type mills to wood pellet factories.
>
> *Brian R. Klaver, Chairman, District of Port Hardy Economic Development Committee, Port Hardy, B.C.*

* pulping of high quality saw logs

Experienced mill workers reported their concerns about the practice of pulping logs that may have higher value as saw timber. They find it as hard to justify as leaving useable wood on the ground in the bush.

* management capacity of public agencies, Forest Service, Fish and Wildlife

Transfer of management responsibilities from government to TFL holders is presented as an efficiency measure that decreases public costs. A new balance is struck between the professional staff of forest companies and the Forest Service with the latter performing an audit function rather than a more intensive on-the-ground supervision role. This change is accompanied by about a 25% decline in Forest Service staff numbers.

There was widespread public comment on the diminished capacity of the Forest Service and the rudimentary coverage of the province by the Fish and Wildlife Branch. These two agencies are seen as the primary public control mechanisms which ensure day today compliance with forestry and habitat protection requirements. The public argued strongly for rebuilding the capacity of the Forest Service so that it could actually perform the many stewardship functions that its legislation and regulations imply. The transfers of responsibility inherent in the TFL conversion process are not seen as commendable reductions in public spending but rather as arranging for the "fox to guard the chickens".

> The Forest Service used to be part of the community. I was raised in the Kootenays. I've lived in Nelson, Kaslo, and the Lardeau country. As a young boy and later a young man, I well remember the presence of white buidlings, green trucks, and tan uniforms which were a continuous presence and part of personal daily contact. The local ranger staff and their families were part of the community mixed with local citizens of all ages and walks of life. There was a first name basis familiarity that led to trust and a sense that the Forest Service and the community goals were somehow the same. But most of that is now gone.
>
> *Mr. Halleran, President, West Kootenay Outdoorsmen; Executive Director, B.C. Environmental Information Institute; Westland TV producer*

> The Ministry has been slashed to a point where the public's interests cannot be protected adequately. Before any more TFLs are created the procedure of company self-supervision has to be abandoned. The Forest Service has to be restored to a level where it can properly supervise what happens in the woods.
>
> *Warren Oja, Local 1-417, International Woodworkers of America, Kamloops*

> There are approximately 24 Ministry of the Environment field habitat biologists in British Columbia to deal with all of the forest companies.
>
> *John Carter, Fisheries Coordinator, British Columbia Wildlife Federation*

> We are concerned about the cutbacks in the forest Ministry, itself. We believe the Ministry of Forests and Lands needs a very real presence in maintaining control of our public timber,as there is way too much room for different interpretations of the regulations to allow the foxes to look after the chickens.
> *Bill Routley, First Vice-president, Duncan Local, International Woodworkers of America*

> The people of B.C. would lose accountability under the proposals that you have given us. We would be acted upon by managers who owe accountability to controls outside of B.C. The profits of those interests would guide accountability, not the public good. And to whom would the public turn in the event of malpractice? The public's right to hold its elected officials accountable would have been superceded, displaced in this TFL give-away. The public would lose its Ministry of Forests, which is shrinking to a negligible ineffectual farce in current planning designs. We want a strong Forest Service. We want a chain of command in that Service which respects the reports from its front-line foresters.
> *Judith Hutchison, Alberni Environmental Coalition*

> We believe that before TFL's are granted that the stewardship role of the Forest Ministry relative to water, fisheries & wildlife needs clarification. We seriously doubt that the proposed integrated planning process, largely identified with timber harvesting and various silviculture practices, will protect and maintain the other resource values, particularly if profits decline.
> *D. Robinson, Director, B.C. Wildlife Federation, Parksville, B.C.*

* effectiveness of the referral process

Because of the general understaffing of the important environmental agencies of government, many presenters saw the referral process as ineffective. They believe that there are too many instances requiring analysis, too many complex interactions, too little fundamental research and too few people available to make regular visits to the field.

> The limitations of the regulation referral and public involvement systems for TFL's is aggravated by the impoverished condition of provincial resource agencies. In the northern two-thirds of the province, there are only about two dozen biologists and technicians with responsibility for managing these resources, including the handling of referrals from the Forest Service, Energy, Mines, and Petroleum Resources, and other agencies. This makes a mockery of integrated resource management.
> *Irving Fox*

> Integrated land use demands we blend the different user groups so that the overall product is diversified and economically optimal for the long-term. Through a very weak referral system, we always end up with a plethora of timber information and a dismal and inadequate assessment of non-timber values.
> *Pierce Clegg, Babine Norlakes Lodge*

> I want to suggest to you that the evidence reveals that the referral process does not necessarily result in the protection of the environment, and that the Ministry of Forests does not act contrary to law in failing to support other resource managers because there are no laws to compel it. My information is that the referral system no longer works; that certain resource management agencies are powerless to protect the forest's other resources, and that the Ministry of Forests, with tremendous powers of discretion, refuses to take its mandated lead role.
>
> *Peter Grant, Vancouver, B.C.*

* public confidence in current practices

In a great many of the presentations, concerns were expressed about the variance between public announcements based on forest management theory and the actual practices witnessed on the land. On the one hand some professional foresters complain that their carefully developed plans and field operations are simply not understood by a poorly educated public while on the other hand the public expresses a lack of confidence in the validity of current practices. What are sometimes characterized as "mistakes of the past" in candid remarks by foresters are seen by the public as still occurring on a regular basis. Recent expensive media campaigns depicting long term commitments to environmentally sound practices are seen as especially cynical by members of the public and forest workers who have regularly visited harvesting sites in the field and can cite specific examples of unacceptable damage.

> Integrated management is a very controversial topic these days, because the public feels the environment is being poorly managed. We must concur that mistakes were made because integrated forest management in British Columbia is so new that we did not fully comprehend the ramifications of our actions. However, by operating in an area over a lengthy period of time, we are better able to understand and manage the resources. By having a geographically defined area to conduct our operations on, we believe that we will be able to improve the planning process. The longer we operate in an area, the better our knowledge of all resources becomes.
>
> *Brian Logan, Lakeland Mills Limited*

> It was both enlightening and frustrating to listen to the presentations of many of these groups and to be exposed first hand to the lack of understanding and trust in our forest management system and gross generalizations being made. This must be taken as a strong warning by both the government and the forest industry that a greater effort must be made to clearly demonstrate to the "silent majority" that there is a responsible and progressive forest management system in British Columbia today.
>
> *Brett Salmon, R.P.F., Forestry Manager, Evans Products Co. Ltd., Golden, B.C.*

> You have crossed a line, and there are too many unacceptable practices on your side now for the public to swallow. We simply have no faith, and it is now your responsibility to take an honest look at how to begin safe and effective management practices of our forests with the public, not against us, in spite of us, or behind our backs. You're going to find that we're not going to tolerate anything less, and in the long run, if we all work together towards a goal of environmental and economic prosperity, we will all benefit, including, and especially, our forests.
>
> *Sharon Stearns, Lee Creek Arts and Sports Society*

> There are too many past and current examples of all take and no give in our region. This situation has eroded our confidence and trust in the forest industry's future direction. Frankly, we don't believe most of what you tell us these days. You want us to accept your tree farm licence proposal; you say there will be no negative impacts on your forestry system.
>
> *Pierce Clegg, Babine Norlakes Lodge*

> If your government is looking for solutions, it should also recognize another crisis. This is the crisis of trust and public confidence that has taken place in recent years in the forestry industry in B.C. There is a widespread mistrust in the ability of experts, professional foresters, companies, and governments to manage the forests.
>
> *Craig Vance, Citizens for Public Justice*

> The problem is that we have never given the people of the province any benchmarks against which they can measure our progress as an industry, so why should they believe us when we tell them we're doing a good job. What we need are clearly defined, long-term goals. Once we've set the goals we can establish markers. This is where the National Forest Sector Strategy comes into its own. This is why tree farm licences are so important.
>
> *Bruce Devitt, Chief Forester of Canadian Pacific Forest Products*

4. Tree Farm Licenses are an effective vehicle for integrating resource management over the long term to recognize environmental, fishery, wildlife and other land based resource values.

> There are tremendous land use pressures in existence and continuously building throughout the province. PIR recongizes that areas within our TFL application will be excluded and other areas will have managment restrictions placed on them. We feel the TFL process will bring all concerns to the forefront and the continuing public input process will ensure maximum public involvement, to provide the best possible integrated resource management plans.
>
> *Geunter Weckerle, Pacific Inland Resources, Smithers*

> The basic problem is that B.C. lacks a land use strategy and a ministry committed to a broad-based use of the land. Having an extractive ministry in charge of land use only complicates the problems of multiple land use. The increasing of TFL's looks to me more like an end run to circumvent having to deal with these problems and putting everything on ice for 15 years. For the economic survival of the Cariboo we don't need that.
>
> *Andy Motherwell, The Alexander Mackenzie Trail Association, Kelowna, B.C.*

> Public information hearings are no substitute for a well-developed and coordinated forest policy. The Bakewell Report on the Woodlot Program sits on your desk, Mr. Minister. Integrated resource management policy is being reviewed. Your Ministry has just completed a wilderness management proposal and enacted new stumpage systems for appraisal. There is a Provincial Task Force on Environment and Economy going on right now. The Ministry of Environment is presently preparing a white paper on recreation and a review of parks policy. How can all of this be happening with no overall planning strategy by the provincial government?
>
> *Mr. Peppard, South Slocan Commission of Management*

* scarcity of effective resource inventories

Many presenters were concerned about an apparent lack of good inventory data for renewable resources other than timber. As a result they do not believe that the management and working plans of TFL holders can adequately take these values into consideration. What results is concrete arguments for the values of the timber crop and vague projections of the potential value of other competing resources such as watershed, recreation, furbearing animals, hunting and guiding. Advocates for the present and future significance of the other resources find themselves unable to compete on an equal footing. The growing commercial interest in wildland recreation as a branch of tourism is a case in point. There is a call both for balanced inventories and for independent economic analyses of the return to the public for different patterns of resource use.

> Forest inventories have been a concern of many hearing participants, and they are a concern to all forest companies; forest inventories are not exciting, even though they are indispensable and that is why the politicians have not allowed the Minister of Forests to have sufficient funds to keep the inventories current. And we all run into inventory problems and I think our Minister can agree it's been a problem over the years. Before the company can receive a TFL, an inventory must be done by the company, and at its own cost. In this way, most of the province would be reinventoried and an accurate data base could be obtained for the use by the company and the government. This data base is crucial in order that the best long-term decisions can be made in the public interest. We have seen too many decisions made on incomplete or missing data, and in some cases everyone suffers.
>
> *John Witmer, President and Chief Operating Officer, Balfour Forest Products Inc.*

> Anytime that I have been involved in any kind of a resource discussion or conflict in recent years, the one factor that seems to run like a red thread through all these conflicts is the lack of good, solid inventory in this province, especially when it comes to wildlife, fisheries and recreational values. We don't have it, and I'm very much afraid if that inventory is not obtained and put into place before any of these new generation TFLs are granted, we are going to have a running battle trying to correct our mistakes over the next 20 or 30 years.
>
> *Tony Hechenberger, British Columbia Wildlife Federation*

> We are concerned that due to the remoteness of much in Northern B.C., proper identification of non-timber values has not been made, and sufficient planning will not be conducted prior- apriori rather, to ensure the protection of these non-timber values. These non-timber values include such things as aesthetic, historical, and anthropological considerations; archeological sites, trap lines, traditional hunting areas, hiking, mushroom picking, berry picking, uncommon bird nesting areas, rare and endangered species' habitats, both flora and fauna and camping opportunities, etc.
>
> *Jorma Jyrkkanen, Prince George Naturalist Club*

* experience of impact on other resources

Where the prevailing forest harvest and management strategy is to clear cut extensively with heavy machinery and replace old growth stands with monocrop plantations, the impact of forestry on other resource values is maximized. Exposure and siltation of fish bearing streams, exposure of recreational waterfrontage, alteration of wildlife habitat, chemical runoff into watersheds, alteration of landscape views and simplification of ecosystems are seen to be incompatible with any true integration of resource use.

Presenters speaking for non-timber resource values suggest that less destructive methods of harvesting and more varied patterns of plantation are required to make the objective of integrated use a realistic option.

> Preservation groups which are becoming more demanding in the last few years, have targeted the forest land base set aside by the government for logging. A perfect example of this is what happened in South Moresby in the Queen Charlotte Islands. Instead of having integrated forest management policies introduced into this area, the government succumbed to pressure, most of it from the outside of B.C., applied by preservation groups. The government did not listen to the pleas of the people who lived and worked in these areas. Instead, kneejerk reaction was taken, we believe, by the government, instead of a good integrated forest management decision.
>
> *John Bassingthwaite, Chairman, Share Our Resources Group*

It seems that we don't know who's going to manage the range. Is it going to be the agricultural industry who shares the range with wildlife animals, or is it going to be the forest industry who controls the access of part of it within the TFLs, or is it going to be the Ministry of Forests who may continue to manage in some places and not other places, and how in the world, Mr. Minister, are we as citizens of this area to have our input into range management when we have three studies- three different processes going on at the same time and we don't know what's going to happen in any one of them, and we have no indication of what process will give us the option to look at an integration of what comes out of these studies?

The other question: What would happen to coordinated range management planning? It looks like that might not be able to fit into all these systems that are now being considered, and the coordinated range management planning has allowed all users' input and has been relatively successful.

Ann Edwards, MLA Kootenay

Our third area of concern is access to our resource. Along with trapping rights, the trapper has traditionally had free access to the land for other activities associated with, and necessary to, the trapping business. These include the rights to: one, build and maintain cabins; two, build and maintain trails; three, cut firewood adjacent to cabins and elsewhere as required; four, have unrestricted access by snowmobile, ATV, horseback or other transportation as required to carry on business on the trap line. We see that these rights are being eroded as TFLs and other tenures are issued over trap line areas in the province. These rights of the trappers have not been written into existing timber harvesting licence documents, nor has it been indicated that they will be written into TFLs.

In conclusion, the B.C. Trappers Association is opposed to present forestry practices. Unless we see major changes to give our wildlife and its habitat due consideration, we cannot support the conversion of forest licence and other volume-based tenures, to tree farm licences. The Ministry of Forests have stated their commitment to the integrated use of the forest resources. We have yet to see this pput into practice. Instead, we are experiencing an increasing incidence of short-term, single-use, timber-only exploitation of the forest, benefiting fewer people each year. We are dismayed with the prospect of continuing erosion of our resource base and of our ability to carry out our business efficiently and profitably.

Mike Green, President, B.C. Trappers Association

Habitat for wildlife is continually and permanently lost to single use timber management. The trapper or other users' right to access and use of the land supporting his or her business activities are being badly eroded.

Jay Butcher, President, Thompson Nicola Local, B.C. Trappers' Association

* primary focus of management and working plans

The management and working plans required from TFL holders are expected to address strategies for recognizing and dealing with other resource values. Successful examples of the integration of recreation, wildlife conservation, stream protection, domestic watershed values and scenic areas were presented to illustrate achievements of good planning and good practice. Concerns put forward by members of the public suggest that in many cases the major emphasis of the plans is understandably focussed on the most efficient and profitable methods of extracting the timber values and re-establishing a commercial crop. Time and energy for consideration of other resources is seen as extremely limited.

> Tree farm licences are an abdication by the government of the Forest Service's mandate to manage the province's forests on behalf of the public, because responsibility for formulating forest-use plans is assigned to the licencees whose primary aim is profit from timber production. Other resource uses such as wildlife, fisheries, and recreation, and regulation by the Ministry are merely reactions to a timber harvesting plan.
>
> The TFL process is no substitute for the formulation of an integreated plan to maximize benefits from all uses... The forests need to be treated holistically as ecosystems, and as such, we need to find ways of meeting our needs for wood while sustaining the wildlife, the fish, the soil, the quality of water, and integrity of watersheds....These objectives can only be accomplished if government accepts the responsibility to manage the forests to provide the full range of benefits they can produce.
>
> *Rosemary Fox, Smithers, B.C.*

> In the event that a proposal is considered to include the forest lands in the main corridor of the Slocan Valley in a commercial TFL, all Slocan Valley watersheds that supply or have the potential to supply domestic and irrigation water should be excluded from such a TFL. This is in line with the proposed policy issued by your Ministry in July, 1988, which reads in part: "TFL proposal areas should not include extensive areas where non-timber resources are the predominant values. Instead, these lands should remain under the jurisdiction of the B.C. Forest Service, to be managed as community watersheds" where according to your Ministry's policy of October, 1987, first priority in all decision making processes is given to the protection of water quality, quantity, and timing of flow.
>
> *Richard Allin, Slocan Valley Watershed Alliance*

> We would ask the following, Mr. Minister. Review the Act to state that tenure holders must submit environmental impact studies at their cost to be done on a watershed basis, siting, wildlife, watershed which would include water management and fisheries, recreation, range, and timber.
>
> *Jay Butcher, President, Thompson Nicola Local, B.C.Trappers' Association*

Our company feels that perhaps the approach, the understanding could more appropriately be recognized as a land and forest management agreement. Timber cannot be managed in isolation of ranchers, water users, wildlife, and other forest-based, and this is particularly true to the Southern Interior.

Gerald Raboch, Co-owner, Riverside Forest Products

My main concern about the proposed conversion to TFLs is water, and I would like to see special consideration given to watersheds.

1) A risk analysis: There should be a clearly-defined procedure to determine possible damage to the water supply before logging activities commence.
2) Standards: Logging practices must ensure protection of water quality, quantity, and timing of flow in the short and long term. Alternatives to clear-cutting, slash burning, and pesticide use exist and should be utilized.
3) Liability insurance: We need adequate protection against damage to a given water supply through logging activities. Integrated water management plan technical committees have no real authority. As it stands now, the water users at the end of a supply line have no decision-making power at the logging process in watersheds and also have no recourse in holding anyone responsible for damages to their water. That is not fair and that is not right.

Gunter Retterath, Nelson

In response to your request for comments concerning the suggestion that TFL land base exclude non-productive forest lands, we offer the following:

1. Large contiguous areas which contain lands which are non-productive in a forestry sense should be deleted from the TFL land base. A good example of this is the vast area of rock and snow which constitutes, perhaps, 30% of our TFL 45 land base.

2. Large contiguous areas containing sub-alpine timber which are adjacent to the above proposed exclusions should also be delineated and excluded from the TFL land base.

3. The balance of the land base which includes both commercial forest lands and those which are marginal, along with N.P. areas integral to these units should constitute the working TFL land base.

This strategy would meet the need to separate off large areas whose prime use is non-forestry, primarily recreation. In doing so, the designated recreational area becomes visible and the area dedicated to forest farms becomes much reduced and would acquire an increased value in the public's mind.

D.E. McMullan, R.P.F., Chief Forester, Fletcher Challenge Ltd., Vancouver, B.C.

5. Tree Farm Licences provide a focus for detailed and specific public input into forest management.

> The ability of the public to participate with the licencee in the management of public forest land is enhanced under the tree farm licence. I think as a licencee we have more opportunities to respond to the demands and concerns of the public than under our Forest Licence Agreement, primarily because it is a long-term venture and we are going to be around, as we see it, to the second rotation.
>
> *Lowell Johnson, Northwood Pulp and Timber, Prince George*

> In summary, my main point is that the move to TFLs rather than moving towards a solution to some of the industry's underlying problems, strengthens the very conditions that have led to many of them. Land use decisions in British Columbia need to be democratized. Rather than increasing the power of one stakeholder, we need to be moving to a process in which all stakeholders receive equal treatment and have an equal say in the process.
>
> *Judy Campbell, Heritage and Tourism Consultant, Williams Lake, BC*

> It is truly marvellous the way that someone who pleads for clean air, pure water, and a sustainable environment suddenly becomes a member of a special interest group. Then these people can be dismissed as a bunch of cranks, and government policy can continue as set by the experts.
>
> *Kim Kraaly, Nelson, B.C*

* perceptions of the effectiveness of the current public involvement processes

The main concern about the effectiveness of public involvement processes amounts to a question of power. It is based upon the difference between being given the opportunity to react to the prepared plans of advocates with strong legal rights to the timber resource and the opportunity for other resource advocates of lesser legal standing to participate in specifying what should go into planning in the first place. TFL holders must submit plans repeatedly to government and the public for scrutiny of harvesting objectives, methods to be used, areas to be logged, silvicultural programs and integration of other resource values. They are sometimes frustrated by apparent lack of public enthusiasm for reviewing the plans or by outright opposition to logging despite the care taken to generate acceptable plans. They tend to see the problem as one of inadequate public education. Members of the public are frustrated by facing plans which are developed to achieve limited resource objectives that compromise from the beginning other values that they feel should have been built in to the original allocation. Some attempts to get the information necessary to challenge the basis of official plans appear to have been refused. They are less concerned with being educated than with being given a share of the decision making power.

Suggestions for solving this impasse tend to emphasize early involvement of non-timber interests in the initial resource allocation process, early participation in an effective integrated resource planning process, establishment of independent capacity to investigate competing resource values, direct involvement of representatives of resource based communities in management decision making, and providing for complete access to information.

> The public requires hard information in the form of a report card on all forest tenures in British Columbia, including tree farm licences. Under the current Letter of Understanding, we acknowledge that annual reports for TFLs are now taken to the public forum, along with five-year management and working plans. For example, compared to other forms of tenure the public deserves to know what level of management is being carried out on tree farm licences, particularly in the areas of recreation and other integrated resource uses.
>
> The public should be made aware that special practices are being carried out to minimize the impact of logging on-site productivity. The public should know what long-term planning is being carried out in areas which may impact on their own communities or areas of special interest. The public should be informed of the level of reforestation and intensive forest management taking place on tree farm licences. They should also know what efforts are being made to develop landscape planning and critical viewscapes. This type of information is needed now that public complacency has been replaced with positive public awareness.
>
> *Jack Toovey, Vice-President, Timberlands and Forestry,*
> *Fletcher Challenge Canada Limited*

> My second experience involved the commencement of a planning process for the Pennask-Douglas Lake area. We have been involved in many such exercises but this was, without question, the most expertly orchestrated and productive opening session we have ever attended. Almost without exception, the stakeholders, industry representatives, government agencies and private landowners worked diligently in a spirit of enthusiasm and cooperation for two days to identify issues and information needs to achieve a successful management plan for the area. Mr. Ian Howes, Operations Manager for the Merritt Forest District is to be commended for the effort and skill he put into this process. It would indeed be unfortunate if he did not have the resources necessary to support the planning process or, if when the plan is completed, earlier commitments for harvesting cannot be modified to meet the objectives of the plan.
>
> *J.R. (Dick) McMaster, Executive Director,*
> *B.C. Fishing Resorts and Outfitters Association*

Ways must be found to realistically defuse and eventually eliminate the "Us and Them" climate that increasingly pervades the so-called shared use of publicly-owned forest lands. It will not be quick and easy. There must be more give and take in the three sectors. Government, industry, and the variously involved publics. There can be no other option but to build on the positive forces in all sectors.

Bob Broadland, RPF 197, Victoria

We have stressed the need for active participation by the concerned public to balance off the increased power of forest companies with TFL tenure. But the public involvement will only be effective when and if the Forest Ministry really wants it and shows this through provisions of information, support services, and technical assistance. We believe it is one of their stewardship responsibilities.

D. Robinson, Director, B.C. Wildlife Federation, Parksville

..And I'd first really like to congratulate you and your Ministry for this process. I find it really refreshing to be able to both read in the press the kinds of things that are coming out with concerns of fellow citizens, being able to address you directly and to be able to have expert witnesses here to respond to concerns. I think that this kind of process which I realize takes a lot of Ministry time and everything, is very well worth your while.

Gayle McGee, Nanaimo

Take the public involvement process one step further. Have your regional managers conduct public meetings all across this province at the regional level to look at regional concerns. I'm talking about what's happening out in the woods, because what's happening in the woods and what the people see; what they perceive to be happening is of great concern.

John Carter, Fisheries Coordinator, British Columbia Wildlife Federation

We must create regional forest councils, give them the power to decide what is acceptable forest practice and wise use of the forest.

Endo Nyland, Retired Professional Forester

We all want to talk about protection and wise use. We want to talk about reforestation, we want to talk about sustainable yield, about development economics, about employment, about fibre export, our future needs and our future supply. But what we have now is a fear of sharing the forest planning authority. Well, Mr. Minister, we want in.

Catherine Gregory, Friends of Clayoquot Sound, Tofino

I really think that providing more information, making information more available is mandatory. How can you expect the public to say anything other than just a partially informed opinion if all the real nitty-gritty data is withheld from the public? We're paying taxes to you to go out and do studies and take inventories and find out what the wildlife situation is, or how fast the trees are growing.

Nancy Field, Environmental Studies and Geography Student, University of Victoria

> I personally believe that there is a terrible overcutting. But a more important issue than the TSA rollovers is whether or not the public of this province has the right to basic information on their lands. The Ministry, and I quote, "will not divulge information on harvests on TFLs." How, then, is the public expected to attend these public hearings and make an informed opinion without information? Without informed opinion, what is the point of asking the public to attend the meetings in the first place?
>
> *David White, Former Owner of Large Silviculture Contracting Business*

> I drove 100miles to an ill-chosen venue and we're working on something that has a ridiculous time frame. I want you to know that my perception is that this is probably an unsatisfactory process and is probably little more than a cosmetic and perfunctory charade. I hope you will prove me very wrong.
>
> *George Wood, Sierra Club, Parksville*

6. Tree Farm Licenses increase the investment in roads and recreation facilities accessible to the public on a continuing basis.

* increased opportunities for public access

TFL holders do not own the land over which they hold timber rights. Because the land remains in public ownership, the public retains right of access except for limited reasons of safety and security of active harvesting operations, fire hazard or protection of the early establishment stages of new plantations. TFL holders see the area based tenure contributing to development of a permanent access infrastructure that can be managed to increase public access for recreational and other resource management purposes. This can include permanent signage on forest roads, building and maintenance of trails and campsites and upgrading of forest road quality. Some public frustration is expressed over experiences with apparently arbitrary exclusion from TFL lands and inhospitable access arrangements.

> To me, one of the most important issues is the question of public access and availability of forest land to other resource users. Because a tree farm licence covers a fixed geographic area, the licensee has a much better knowledge of all resources on the area, and consequently, a closer working relationship with the other resource users because of the continuity of management on that area.
>
> *Howie Carter, Chief Forester, Southern Interior Wood Products*
> *Division of Fletcher Challenge Canada*

> The roads remain accessible, signage would increase and the standard of roads would likely increase. Recreational experiences like camping, hunting, and fishing would receive more intense management.
>
> *John Vander Ende, Woodlands Manager for Houston Forest Products*

> We, the members of the Women's Institute are very concerned with the effects this will have on our environment and we have found in our areas when a TFL is instituted, almost immediately a gate blocks public access. We do not feel that public access should be blocked to any crown land that we, as taxpayers, have supported and enjoyed in the past.
>
> *Etiola Pettyjohn, Secretary-Treasurer, Fruitvale Women's Institute*

* potential for recreation use

Opinions are divided about the potential for accommodating recreation interests within TFL's. Area-based management is seen by TFL holders to increase their capacity to plan systematically for recreation uses and to integrate them into their long range plans. Recreation interests feel that the weight of company consideration will be given to timber harvesting and that recreation will be given scant attention because it brings only increased costs to the company.

> Although we are engaged in outdoor recreation and as such are very much concerned with scenic values, we have not encountered any conflicts with logging activities within these TFLs. We have experienced very good communications between our staff and those of the two logging companies that we work with. Wherever reasonably possible, our views have been considered in developing their logging plans. And while, of course, logging does have a major impact on the countryside, our company and our 200 co-workers fully recognize that the temporary impact on scenic values is offset by economic benefits to the province and its people. There have also been various incidents where logging has increased our safe skiing terrain and it is our experience that well managed forest harvest, heli-skiing, and hel-hiking can co-exist.
>
> *Martin von Neudegg, Canadian Mountain Holidays*

7. Tree Farm Licenses are an effective means of increasing the contribution of forestry to Crown revenues and generally maximizing the return to the public for use of the resource.

> In the absence of a more substantial area of privately held forest land, tree farm licences are, in theory, a good compromise solution. These tenure arrangements allow the public to take advantage of the labour and capital resources, organizational skills, and operational efficiency of the private sector, while retaining title to the forest resource and a good deal of control over its management.
>
> The private sector, in return for assuming management responsibilities for the public resource, is given assurance of a supply of timber at appraised prices and does not have to face the uncertainties of the marketplace for much of its most important input. In addition, the risks and capital costs of carrying large inventories of standing timber are borne by the public rather than by the private sector.
>
> While, conceptually, tree farm licences are a desirable form of forest land tenure, in practice, like many compromise solutions, they are in my opinion seriously flawed and fail in many ways to promote efficient management of the timber resource in the public interest.
>
> *David Haley, R.P.F., Department of Forestry Resources Management,*
> *University of British Columbia*

* economic strategy : competition and pricing

Questions were raised in the public sessions about the integration of ownership of conversion mills and the tree farm licenses that supply their timber. The majority of medium and larger forest firms argue that investment in plant and intense silvicultural effort, along with the jobs generated, are dependent on the security of wood supply provided by long term area-based tenures. The ability to plan harvesting operations to coincide with conversion facility development allows them to be more responsive to international markets and to remain alive in a very competitive world.

Others argue that the integration arrangement eliminates competition for wood supply and therefore places less premium on development of timber use efficiency or the development of more value-added uses of wood. They suggest that the lack of a competitive bidding system for wood supply artificially depresses the value placed on it and therefore decreases both the direct return to the crown on stumpage and the other returns from development of more sophisticated products.

> For those commodities and services for which values can be reliably established through competive purchase and sale, a competitive enterprise system is best suited to the realization of economically efficient production and use.
>
> For benefits and costs that cannot be reliably made through competitive purchase and sale, neither a competitive enterprise system nor any system dependent upon profit-making organizations, can be relied upon to serve the best interests of society.
>
> Now, my conclusion is that TFL policies violate both of these fundamental principles. Forest licences also violate these principles, but they are at least easier to change and public control is more direct.
>
> *Irving Fox, Smithers, B.C.*

> The quota system is a protectionist system, not a free-enterprise system. TFLs make it more protectionist because they offer specific boundaries and more time to harvest the timber within those boundaries. As a result of protectionism, we're facing serious problems in society now and will face a lot more serious problems in the near future. By allowing the protectionism to continue, we are causing a movement to the left.
>
> In a free and democratic society, we must always provide the worker the opportunity to become an entrepreneur; the opportunity for an entrepreneur to become a capitalist, and allow the capitalist the opportunity to succeed in a competitive scenario, or fail, and end up on the pick and shovel.
>
> If that cycle is blocked by protecting the capitalist so the entrepreneurs cannot become capitalists, then the workers have no incentive to become entrepreneurs. All become frustrated and move to the left. Quota, especially in TFLs and in forest licences, is the stumbling block because it stops this cycle.
>
> The quota system consists of three parts; the allocation of quota, that is the allowable annual cut; two, the allocation of timber land, that is the location of timber defined by the TSA planning process; and three, price setting, where the price for the timber is set by the government. The quota system has failed the test of democracy on all three parts. The allocation of quota contravenes the Charter of Human Rights. We as British Columbians, own the timber, but as individuals we are denied equal opportunity to purchase the resource we collectively own. The Charter guarantees individuals equal opportunity to acquire Crown resources. The allocation of timber land has been done without justice, as evidenced by the TSA planning process. Some companies have ended up with good timber positions which they want to lock into TFLs; others have ended up with poor timber positions.
>
> We must stop the quota system in its tracks and replace it with a simple credible system by which Crown timber is sold. This system will restore the people's confidence in government. Since timber will be sold on an equal opportunity basis, it will be a just and an equitable system based on democratic principles of justice and equity respecting the

> Constitution, the Charter of Human Rights, and adhering to the Combines and Monopolies Act.
>
> The credible system would allow any Canadian citizen or company the ability to purchase timber through the auction process. Blocks of timber would be auctioned by the Ministry of Forests to the highest bidder on a cash payment basis, secured by a letter of credit prior to bidding. This prevents spite bidding and speculation, and keeps the price at true market value. Timber removal deadline would be two years, with no extensions or the block would be sold. This is to prevent hoarding.
>
> Reforestation and free to grow would become the responsibility of the Crown, paid for out of the revenues received from the sale of the timber. The upset price should reflect 75 to 80 percent; the estimated value of the timber to be sold, the bidding process would determine the final market value. The free-market enterprise system would thus be reintroduced to the wood extraction sector of British Columbia. The credible system, being the competitive system, should be unacceptable to the Americans and as a result, they should drop the Memorandum of Understanding. It would also make all our lives simpler since it eliminates the complex appraisal system.
>
> In conclusion, our recommendation is: superimpose the credible system over the existing quota system. This process of phasing the credible system in and phasing out the quota system over a period of time should begin as soon as possible.
>
> Harvesting a forest is one thing; growing a forest is another. Harvesting the forest will be done by those that pay the highest price for the timber sold. Growing the forest should be the responsibility of the Crown, and administered and supervised by the Ministry of Forests on behalf of the Crown who will use the free-enterprise system on a bid-for-contract basis for all silvicultural requirements, from growing of seedlings, to site preparation, to planting, to tending the forest to maturity.
>
> *William Kordyban, Sr., President and General Manager,*
> *Carrier Lumber Ltd, Prince George*

* ways of living

Integration was also presented as a threat to the variety of life styles that can be maintained in a more diverse economic environment.

> Well, Mr. Minister, the quota system, it was a good idea, but in agriculture, in fishing, in forestry, it's a mistake to tie the conversion plant to the land. Let's look at dairying, you can probably see it in terms of farmers. Your party probably believes that farmers should remain independent. You probably wouldn't let Peter Pocklington who owns the dairy buy the milk quota because you probably believe ideologically that the farmer should be left on the land. Well, when you tie the quota to the sawmill, you do to the loggers what you do to the farmers if you let the dairy own the milk quota; the same with eggs, the same with salmon. You should never in a renewable resource tie the quota to the corporation, tie the land-based industry to the multinational conversion plant, because you cut out a whole kind of human beings. You cut out farmers, fishermen, loggers, the kinds of people your party used to depend on to get elected. You cut out us.
>
> *Mr. Corky Evans, Nelson, B.C*

* revenue ratios favorable to smaller tenures

References are made by presenters which suggest that small scale tenure holders pay higher stumpage fees and create more jobs per cubic meter than do larger operations. Comments are also made about the rates of return per cubic meter in British Columbia as compared to other forestry countries. The information presented in the sessions is not in the form of detailed research results but it raises economic return questions which presenters feel must be addressed before the government implements a move toward more large scale TFL's that may be less efficient producers of crown revenue.

> ...For example, in 1986 major tenure holders, including tree farm licences, paid 40.7 percent of total stumpage on 91 percent of the timber cut in the province, while over 50 percent of the stumpage was paid by small timber companies, competitively bidding for less than 10 percent of the timber cuts.
>
> *Mike M'Gonigle, Professor, Natural Resources Management Program, Simon Fraser University*

* concerns about the wisdom of early liquidation of old growth and the lack of a credible inventory

Conventional wisdom has it that the most efficient forest management involves the liquidation of over mature forests and their replacement with thrifty new crops that are repeatedly harvested at the peak of their active growth phase. Old growth that is still healthy represents the most profitably harvested wood and should be mixed into the cut to offset the less profitable timber that must be cut to structure the future forest, clean up damaged stands, spread cut impact over a tenure area or to accommodate to other resource concerns.

This general approach is questioned by presenters who believe that the future competitiveness of wood products from British Columbia may depend upon a continued supply of older wood of high quality. This high quality material would be the feedstock for the high value-added products that everyone would like to see produced. Fears were expressed that we may not be fully competitive in the world market for fast rotation fibre production (without ruinous and ultimately unacceptable environmental side effects) and that the liquidation of our old growth is being hastened to serve short term profit taking, not long term security of our domestic industry. This fear is amplified by the impression that there is no competent inventory of old growth and that the estimates of how much there is left in any one part of the province cannot be stated with consistency.

Hasty liquidation of old growth forests also represents for many presenters the foreclosure of future economic options that may be realized from better knowledge of intact ecosystems. The argument is made that the province will be impoverished more fundamentally by destroying wildlife habitats, eliminating species and limiting ecosystem and genetic diversity than by foregoing some of our short term profits from bulk commodity exports. Economic return in its largest sense is interpreted to include conserving substantial amounts of a biological resource that is not yet fully understood.

> It appears that the government and majors have a deliberate policy to cut our old growth mature forests as fast as possible, to the last tree. After the old growth is gone, the policy of "sustained yield" will probably apply, be it at a much reduced rate. The effects of this are now quite evident in the coastal forest and is starting to show in the interior forests also. How will the Forest Minister reduce the allowable cut on TFL?? You have not been able to do so in the past.
>
> *Ewald Hubert, Patrick Soles Lumber Ltd, Parson, B.C.*

> The current confrontations about preservation of old growth forests are due in large measure to the recognition by new elements of the public of equally new biological and economic values and the lack of government process to accommodate these new values within the current system of forest management. The BCWF recommends that the Forest Ministry review the need for retaining old growth through a public process open to all concerned people, NGO's and Communities with the intent of looking critically at these new values and their benefits. A first step could be a white paper that outlines areas now under reserve, paramenters for establishing old growth areas, the value of old growth study and test sites and the new economic value of old growth forests. We do not wish to lock up all of old growth, neither do we want them completely logged off. There are values of many kinds in keeping extensive areas of old growth, not the least of which are options for the future.
>
> *D. Robinson, Director, B.C. Wildlife Federation, Parksville*

> The day of big is beautiful is over. British Columbia's forest product industry has become locked into a product mix which reflects timber resource and processing technology superiorities that no longer exist. At this very moment, the Japanese are experimenting with a process for producing pulp from sugar cane and banana trees. Wood is becoming only one among many raw materials for future paper production.
>
> *Barbara Morrison, Canadian Federation of Independent Business*

In approximately 15 years all the remaining merchantible old growth on the entire coast of B.C. will have been liquidated and on the south coast it will be much sooner. Yet old growth is indisputedly the source of the finest and most economically valuable wood coming out of the province. Ecologically, we at least know these towering coastal forests represent the most complex and least understood forest systems outside the tropics. The B.C. Forest Service plans to extinguish this priceless commodity and world heritage ecosystem as quickly as possible.

The Ministry of Forests has never undertaken a meaningful timber inventory let alone a non-timber evaluation inventory. Yet this ought to be the first vital consideration for any long term sustainable forest management plan. Of greatest urgency is an old growth inventory.

Peter B.McAllister, Sierra Club of Western Canada

In our great original forest we still have all the biological diversity necessary to make our managed forests truly sustainable if we take the time to learn from nature how to go about it. Destroying this great forest by clear-cutting very large areas without a thought for the riches known, and unknown, contained within it is a tragic mistake. As soon as possible, we must provide protection for a system of sizeable old growth islands within the new cutting area to be retained by the government as long-rotation timber stands. In time, the species richness will recolonize the new forest with its life and health giving diversity. For us to regard the treasure of the old growth ecosystem as something to be disposed of, will certainly come back to haunt our children.

Endo Nyland, Retired Professional Forester

Our second growth trees are going to be harvested before they have an opportunity to grow much maturer wood. These second growth logs will be producing a much higher percentage of juvenile wood lumber, which is significantly inferior in quality to mature wood lumber. We need a comprehensive sustained yield policy of old growth production, not just a sustained yield of inferior second growth trees producing primarily juvenile wood lunber.

Jim Pine, Logger, Log Scaler

Finally, most of the recipients of new tree farm licences will be large multinational corporations, which can simply close mills and move to faster growing, southern climates when the timber base in a region is exhausted.

Mike M'Gonigle, Professor, Natural Resources Management Program,
Simon Fraser University

* concerns about the practice of raw log export

Raw log export was explained as the result of unavoidable surplus of material in the complex ebb and flow of the coastal log market and supplies of logs from unregulated private land. It was also pointed out that B.C. imports raw logs from Alaska and may well be in a net importer role. Regardless of the explanations put forward, the practice of raw log export is as often condemned as the waste of wood in the bush. It is seen as export of jobs, export of rightful return to the public and irresponsible cutting of trees that did not need to be cut.

> Raw log exports are not supported by one thoughtful British Columbian.
>
> *Ron Stewart, PPPWC, Local 11, Gold River*

* concerns about foreclosure of other economically viable uses of forest land eg. tourism

The meaning of the term "forest" received some attention. It was used in the sense of "managed timber supply" in the context of industrial tenure arrangements, harvesting practices and silvicultural treatments. It was also presented as a "complex of economically significant resources" by those earning incomes from other uses of forested land. Trappers, fishermen, workers in salmonid enhancement projects, irrigation dependent farmers, guides and outfitters, fishing camp operators, wilderness adventure tour operators, resort owners and leaders of tourism based communities made a case for looking at "forest" as a diverse source of livelihoods easily compromised by extensive logging. They advocate a more conservative approach to the liquidation of natural forests as it is becoming evident that the combined economic value of other uses may overtake the single use crop value of the trees. They argue that the economic security of small communities is better assured by diverse use of the forest than by the current overemphasis on single use.

> We have to start taking steps to ensure that we will have a quality product and image to compete with down the road. Current mechanisms like TFLs do not do this. Tourism depends on well-managed, quality lands. It relies on forest lands which are managed for scenic values, wildlife, and wilderness not just timber. If we lose the beauty, if we lose the product, the tourists will go.
>
> *John Makes, Back-country Tour Operator, President, Wilderness Tourism Council*

Historically, logging companies, because they were the province's largest generator of revenue, were only interested in plans that contributed to increases in logging revenue. The Department of Forestry and the loggers believed with their tree farm licence system that logging was going to be British Columbia's number one industry forever. The planners of the tree farm licence system did not consider tourism as a viable competitor to logging.

A career in a primary industry is not the wise choice anymore, or very likely. Tourism, though, now employs over 100,000 people, as opposed to 75,000 in logging. Jobs in tourism are increasing at over 4,500 a year, while logging jobs are decreasing at the rate of 2,000 lost jobs a year.

Myrna Boulding, Owner, Strathcona Park Lodge

In Kyoquot Sound we have just finished doing a preliminary tourism study which has showed that $14.3 million was spent by 530,000 visitors from around the world in the Tofino area alone. This represents 52 percent of our community employment. This industry is not a supplementary income to the residents of Tofino. Our tourism industry is a premier coastal Canadian resource. It's important not only to Vancouver Island, but to British Columbia and to Canada, and it is not supplementary income. It is a seven-month industry. We have some of the highest tourism employment rates in the province, and we are really having a hard time in addressing our concerns to the Forestry Service and to the TFL holders.

Catherine Gregory, Tofino

As you are aware, Tofino is surrounded by TFL #44 and TFL #46. These TFLs were granted long before the establishment of Pacific Rim National Park and the consequent development of tourism in our area. Tourism is now our major employer and brings in over 14 million dollars annually in direct revenue. However, there has been growing concern within our Chamber that the land use needs of our tourism industry, as well as stream habitat needs of the commercial and sports salmon fishing industries, are restricted by the land tenure given to the TFL holders. We feel it would be better for our community if there was a more flexible land tenure system in our area.

Greg Jarvis, President, Tofino-Long Beach Chamber of Commerce, Tofino, B.C.

Before you undertake this unprecedented commitment to a private-sector oriented system of tenure, we urge you to support and participate in the formation of a Land Use Strategy for B.C., initiated through a Royal Commission if necessary. Such a strategy should address the need for old growth temperate rainforest preservation and the establishment of wilderness areas under the Ministry of Forest's Wilderness Policy. Until these steps are taken, we feel that any large-scale changes to the forest land management system should be postponed.

Julia Gardner, Canadian Parks and Wilderness Society, Victoria

The Council of the Town of Creston suggests that the Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences does not provide sufficient protection to Municipalities which utilize watersheds for their water supplies.

Lela Irvine, Mayor, Town of Creston

PART III
SPECIFIC REACTIONS TO THE PROVISIONS OF THE PROPOSED CONVERSION POLICY

* reactions to the proposed conversion target of 67% of the forest land base

Participants in the information sessions wanted to know the rationale for the proposed target of 67% of the forest land base to be converted to TFL's. This target figure appeared to many speakers to represent such a major change in land tenure for the province that it should not be implemented without a much more thorough review of its implications.

> Your proposal shows the forest TFL - forest industry to control 67 percent of the cut, and we had a couple of comments on how that 67 percent was derived at. I called up your Ministry in Victoria and asked them how, and we heard again today. It was basically just decided that two-thirds is a good number and the reason it's 67 is because that's closer to 66 and two-thirds, so we come up with 67 percent, and that's basically how that was derived at. And I asked representatives of your Ministry, were any sociological factors, any political factors, i.e. things that do with the U.S., any ecological factors used to come up with this formula? And none were given.
>
> *Fred Marshall, Nelson, B.C.*

> The B.C.S.L.A. sees an overall geographical plan or map of the areas affected by the proposed changes, taking into account the variety of land use mixes, as an indispensable tool. Without this, any examination of the TFL issue might lack clarity and could lead to misunderstanding.
>
> *N.S. McLean, President, British Columbia Society of Landscape Architects, Vancouver, B.C.*

> While we favour TFL's as resulting in improved forest management, we do not believe the interest of the Province would best be served by converting all FL's into TFL's. There are a number of operators that do not wish to assume the responsibilities of managing a TFL. Such operators should be allowed to continue under a FL. We consider the proposed limit of 67% of the cut being held under TFL's to be a reasonable objective.
>
> *W.D. Ewing, R.P.F., R.L. Caesar, R.P.F., W.G. Burch, R.P.F., S. Techy, R.P.F., P. Eng, A.G. Farenholtz, R.P.F., K. Holmsen, R.P.F., M. Stewart., R.P.F., J. Standish, R.P.F., R.E. Rogers, R.P.F.*

> It would be a credit to your government if you increased the number of woodlot tenures to a figure similar to that of Sweden, where there are about 450,000 independently run forest farms taking about 50% of the forest land base with the other half going to the larger companies.
>
> *Ralph Keller, Surge Narrows, B.C.*

> I believe it would be a major mistake for the province to lock itself into an inflexible form of tenure for two-thirds of the annual allowable cut until the full range of problems are addressed in a comprehensive fashion, because a great deal of flexibility will be required to deal with them effectively.
>
> *Irving Fox, Smithers, B.C.*

> Tourism is the world's largest industry, and we have not even fathomed how to tap that industry, nor recognize the true dollar values of our environment. If we hand over 67 percent of our forests to manufacturing companies, we will be handing over wildlife, tourism, and recreational management to an industrial base that has no vested interest in developing alternate economic sources. To realize full benefit from our forests, we should have integrated hearings with the Ministry of Environment and Tourism into the use of our land base.
>
> *Roberta Faust, Williams Lake, BC*

* concern about the reduced flexibility and increased public cost of repatriating land to other uses

Among the concerns expressed about the conversion of so much of the available forest land was the reduced flexibility that would be available to government for responding to the demands of other resource users. This would be especially true where other uses would require the repatriation of land from the licence and would involve compensation to the licensee. The substantially increased cost of repatriating TFL tenured land is seen as a major deterrent to land use adjustments that are likely to be necessary as the population grows and other economic and environmental values emerge.

> ...When land use priorities change, the public should not have to pay massive compensation to forest companies to regain control of public resources. This is even harder to justify when the taxpayer receives no direct compensation when a tree farm licence is issued.
>
> *Ruth Madson, Thompson Watershed Coalition*

> Current TSAs, not TFLs, result in a tenure system that is much more responsive to the changing needs and values of society. For example, when recreation became a key issue, the Forest Service was able to initiate a program which would lead to recreation reserves and even wilderness areas.
> When wildlife values required deferral or withdrawal from a quota from a TSA annual allowable cut this was much more simply achieved than with a TFL.
>
> *Catherine Gregory, Friends of Clayoquot Sound, Tofino*

* need to give thorough review to other values prior to land commitment to TFL's

Because of the large extent of the anticipated impact of the policy many people called for a lengthy period of review prior to implementation of any particular licence conversion. This would give time for a thorough review of the other resource values that would have to be considered in the foreseeable future and for consideration to be given to excluding land from the TFL in advance to preserve options at reasonable cost.

> A case can be made for additional areas to be brought under improved tree farm licence agreements, particularly in the Interior of the province. However, in my opinion, no steps should be taken in this direction until a detailed long-term land use plan, preferably as part of an overall economic development plan, has been prepared for each region. Tree farm licences must be perceived as long-term commitments if they are to work. It is difficult to see how any government could give such long-term assurances, except in the context of strategic regional planning objectives.
>
> *David Haley, Registered Professional Forester, Teacher, University of British Columbia*
> *Department of Forestry Resources ManagementP9*

> Giving out TFLs before every other resource is identified and set aside provides the recipe for environmental disaster. It is inconceivable that fish, wildlife, lakeshores, magnificent Pacific beaches, streams, native lands, and archaeological sites are included in TFLs, with little or no identification or protection. Then those of us who care about these things are obliged to go cap-in-hand to the company, blockade fragile sites, and campaign our hearts out until the government reluctantly hands over large sums in compensation, and I refer to South Moresby for example, or else we lose these places.
>
> *Ruth Masters, Parksville*

> Recent work by the Outdoor Recreation Council has found that there is consensus among the wide range of B.C.'s resource users and managers on the need for a provincial land-use strategy. The Outdoor Recreation Council's members view the proposed provincial Round Table on Environment and Economy as an appropriate mechanism for developing a provincial land use strategy. The timber tenure conversion program should be postponed until this strategy is established.
>
> *Liz Osborn, Coordinator, Communications and Policy,*
> *Outdoor Recreation Council of British Columbia*

1. Eligibility for Conversion of Forest Licences

* the 100,000 cubic meter limit

The Ministry policy suggests that forest licence conversions that would result in a TFL with an AAC of under 100,000 cubic meters would be inadvisable due to the cost of performing the duties of a TFL holder. A number of smaller companies argue that the limit is too high and that the licence conversions should be considered on their merits.

The concept of area-based tenure itself does not appear to be dependent on a particular size. Owners of smaller plots of private land and holders of woodlot licenses speaking to the sessions gave an account of what they felt to be environmentally appropriate and economically sound forest management practices on relatively small areas. References to land tenure arrangements in Sweden, often held up as a desirable alternative to large TFL's also stressed the viability of smaller management units providing there was a system of marketing that pooled their production into economic sizes.

> Specifically, Ministry policy requiring a minimum Annual Allowable Cut of 100,000 m3 in order to qualify for TFL conversion eliminates most small independents and favours a few large integrated forest companies. Presently there are several TFL's in B.C. with an AAC of less than 100,000 m3 as well as numerous Forest Licences and Farm Woodlot Licencees. In most cases these tenures are being effectively managed and there is no clear reason why a discriminatory floor of 100,000 m3 should be required.
>
> *Mr. Dorner, R.P.F., Woodlands Manager*

> If conversion from a FL to a TFL will result in better management of our forests, then we believe the conversion should be considered regardless of the size of the allowable cut. Thus, it follows that the opportunity for medium and small operators to convert FL's into TFL's should be preserved, and that these licencees should have the same opportunity as the major companies to obtain a TFL.
>
> *W.D. Ewing, R.P.F., R.L. Caesar, R.P.F., W.G. Burch, R.P.F.,*
> *S. Techy, R.P.F., P. Eng, A.G. Farenholtz, R.P.F., K. Holmsen, R.P.F.,*
> *M. Stewart., R.P.F., J. Standish, R.P.F., R.E. Rogers, R.P.F.*

> The minimum size of cut for TFL qualifications should be reduced to 40,000 cubic metres per year, as an example the Mission District TFL, to allow participation by smaller companies.
>
> *Ted Mattice, Employee, Fletcher Challenge Canada Ltd*

There are also other concerns that T8TA has with the TFL system. It appears that the TFL system will be of greatest benefit to the large logging companies. This is of concern, as small logging operations are labour intensive, usually are more selective in their falling methods, and thus make more efficient use of the resource, are more likely to practice good silviculture as they live in the area of their work, and more of the money will be staying the local econmy. For these reasons we would like to see the advantage go to the small logging companies, rather than the large ones.

Carl Reimer, Treaty Consultant, The Federation of B.C. Treaty Nations, Fort St.John, B.C.

Smaller, more workable Timber Supply Areas (should) be implemented in order to provide for local public input and to support the issuance of Tree Farm Licences to local forest companies. This is particularly an issue in the Prince George Timber Supply Area which covers a massive area including Vanderhoof, Fort St. James and Fraser Lake.

The conversion to Tree Farm Licences (should) be administered so as to maintain a competitive economic environment. The Regional District of Bulkley-Nechako whole-heartedly supports the Small Business Forest Enterprise Program and believes that some of the forest resource must be retained for this and other new or innovative businesses (ie potential harvesting and processing of aspen trees.)

Gordon McFee, Chairman, Bulkley Nechako Regional District, Burns Lake B.C.

The 100,000 cubic metre minimum for tree farm licence conversion should be dispensed with. No minimum cut figure is required for area-based management, as demonstrated by the success of the small woodlot licences and TFLs currently operating in the province.

Christopher Ortner, Jackson Brothers Logging

* more extensive performance history criteria

Speakers felt that the criteria to be applied to conversion applications should be more stringent than implied in the policy documents. They proposed that a strict evaluation of past performance on environmental practices, adherence to utilization standards in existing tenures, reforestation performance, delivery on promises to build conversion facilities, actual results of guarantees of employment and community support be conducted before a favorable response is made. It was also suggested that no company be given additions to their TFL's if they are already in a surplus position to the needs of their conversion facilities.

> I recommend you revise the objectives for converting forest licences to tree farm licences. The goal should be to maintain or enhance harvest rates. Furthermore, applicants should be directed to apply for areas in which they historically operate and in amounts based upon that currently allocated to them by volume.
>
> Second, I recommend you judge each application on its own merits through past performance in forest management, integrated resource management, and environmental protection. Applicants must demonstrate investments in timber production facilities, improved timber utilization, examples of successful integrated resource management, environmental enhancement, and other contributions to responsible forest management.
>
> *Bruce Devitt, Chief Forester of Canadian Pacific Forest Products*

> We believe, basically, that only a few of the eight major companies in the mid-Coast have earned the privilege to manage a tree farm licence in our area. We have had a good working relationship with Crown Forest Industries and they have consistently fulfilled the terms of their forest licences. So has CIP Incorporated. As you know, others have not been so diligent.
>
> *Clifford Hanuse, Tribal Administrator, Oweekeno Indian Band*

> Each applicant for a new tree farm licence, or for a renewal of a tree farm licence, or rollover from a forest licence, should be made to demonstrate and prove their social awareness, their obligation to provide stability to the local community, and their responsibility as partners with the people to ensure that the resource is managed to the greatest benefit of all the participants.
>
> *Gerry Furney, Mayor, Port McNeill*

> Wherever tree farm licences are so large that the allowable cuts allows for a surplus of logs over the ability to process or manufacture these logs, either the allowable cut or the area of the tree farm should be reduced. This would prevent the export of raw timber, and improve utilization here, not abroad.
>
> *Merv Wilkinson, Private Non-registered Professional Forester*

> Sayward Council fully supports the long-term and the area-based aspects of the TFL forest tenure system. Council sees this system providing better opportunities for secure and continuous employment in our community. However, council firmly believes that a company's right to retain, or even to obtain a TFL, whether that company be controlled offshore, back east, or even here in British Columbia, that company's right to retain or obtain a new TFL must be based on good solid performance. A company's performance must measure up to agreed quantifiable and attainable standards that are good for the forests.
>
> *Jim Loftus, Mayor, Village of Sayward*

> We would expect that the Ministry, in converting these lands, would point out the obligation that goes with a TFL. The north Island community expects the same standards of community participation from the new TFL holders that the community has been accustomed to from the existing ones. We expect, whenever possible,to see year-round operation based on logging winter wood shows and summer wood shows in an organized long-term fashion. We expect these companies to have a presence in our community, local management offices in our community, and to base harvesting decisions and other factors on close consultation with the local community. We also feel that the IWA, who represent most of the loggers who work on the north Island, participate in this process.
>
> *Bill Shepherd, Regional District of Mount Waddington*

> Riverside believes area-based tenures are a privilege, not a right. There are many cases and situations where tree farm licences should not be granted. As in all industries, there are good and, unfortunately, poor performers. The Ministry of Forests must be prepared to say who is a good performer and put their application out for public review.
>
> *Gerald Raboch, Co-owner, Riverside Forest Products*

> Where a family-owned, grassroots operation has built to a size where its existing FL's would qualify to be rolled into TFL, the TFL should be *non-transferable*. The general public may give full support to the existing company at its TFL hearing based on past performance and their proven vested interest in the community they have lived in and grown up in. But when an international company buys them out, we now have an unknown operating that same TFL, one without a vested interest in that local community.
>
> *David Nelson, Prince George B.C.*

* priorities to mid-sized and smaller companies

Owners of mid sized and smaller companies presented a case for making their applications for licence conversions a priority. They generally feel that the industry is too concentrated in the hands of the major multinational companies and that the province would be better served by a greater diversity in the sizes of firms represented in the industry. They argued that they would be better able to give security to their employees and contractors and that they represent firms which are more directly involved in their communities, tend to buy supplies and services locally and therefore contribute actively to the kind of community stability originally advanced as a rationale for TFL's.

> To accomplish this objective, Doman proposes an allocation policy that gives priority to mid-size operations over large multinational companies who already control 57 percent of the total coastal cut through their TFLs. Surely it is time the mid-size companies are given an opportunity to share in the benefits of area-based tenures.
> The tree farm licence form of tenure is the preferred one, as judged by its performance in forest management over the past 40 years. The allocation procedures, however, must be equitable and should avoid concentrating tree farm licences in the hands of a few major companies.
>
> *Sam Higginson, Doman Forest Products*

> The qualifying, non-integrated companies have priority in converting their forest licences to tree farm licences. These companies have the expertise to manage the licence and the willingness to accept the added responsibility. It could help to diversify the forest land holdings in the industry.
>
> *Bob Fisher, Terminal Forest Products*

2. The Implementation Process

* the requirement for consensus

Concern was expressed about the requirement for achieving "zero conflict" in a TSA before any licence conversions would take place. Some companies with forest licenses in contentious areas argued that they would be left behind in the process and may get caught without opportunity for conversion if the province reached the target levels before coming to their application. They feel that each licence rollover request should be handled on its own merits.

* alternatives for phasing the conversion process

Proposals were put forward that the conversion of licenses could be phased in over set application periods. The first period would allow for consideration of companies with excellent long term performance records, while the second period would give consideration to companies who had improvements to make to prove capability of handling a TFL competently.

> No more than 50 percent of the total AAC of a five-year control period should be rolled over at the present time, with a term not to exceed 10 to 15 years. Secondly, a total review of this policy should be made before the balance of the licensee's timber harvesting licences are rolled over, taking into consideration the term of their licence; why they were awarded the licence in the first place; the commitments the firm made; were they met.
>
> *Ed Tarasewich, Southern Interior Category 2, Wood Processors' Association*

3. Applications

* residual viability of the TSA land base, especially at the 67% level

The "letter of intent" appears to have encouraged companies with volume-based licenses to apply for tracts of land larger than may actually be necessary to sustain the AAC of their licence. The result is a potential for locking up a greater proportion of any one TSA than is considered appropriate. Speakers suggested that there needs to be a sufficient buffer of volume-based timber supply left in the residual TSA's to continue to meet the needs of the small business program and to act as a hedge against critical losses within TFL's due to major catastrophes.

> I recommend to you, sir, that all conversions from forest licence to tree farm licence only commit an area of productive forest land equivalent to that required to maintain the annual harvest now committed to the licensee and that the area required to generate the annual harvest be based on close utilization standards and the productive capacity of the land as determined from managed stand yield tables.
>
> *Trevor Jeanes, Forest Consultant, President of Entre Enterprises*

> I suggest it might be better in some TSA's that there not be 100 percent conversion to the TSA land base, the tree farm licences, firstly to protect the licencee form timber losses due to insects or fire or whatever, and allow that licencee to diversify the timber supply, as is now done with the forest licence.
>
> *Lowell Johnson, Northwood Pulp and Timber, Prince George*

> Over 60 percent of the coastal AAC is currently allocated to TFL tenures. Any further allocation of AAC will seriously erode the capacity of the Coastal supply areas to meet Crown wood supply commitments. If all applications for rollovers are accepted, 89 percent of the Coastal AAC, and that includes the North Coast TSA, will be tied up in TFL tenures....This has severe implications for the Small Business Forestry Enterprise Program whose existence is threatened by diminishing areas within the TSA's.
>
> *Rick Jefferay, Truck Loggers' Association*

* foreclosure of flexibility to respond to other land use pressures

Letters of Intent for licence conversion were filed with the Ministry in some haste. The process of identifying an appropriate land base upon which to make an area-based tenure appears to have been primarily concerned with securing a reasonable profile of timber supply to sustain the existing and proposed appetite of conversion facilities. There was no time for the type of careful assessment of other land use pressures that speakers have called for. As a result there is concern that the areas identified for conversion will accentuate the land use flexibility problem recognized for TFL's in general.

4. Identifying the Preliminary AAC

* concern that the 10% will be easier to recover for larger firms

It was stated that recovery of the 10% holdback of the AAC upon conversion will be easier for large firms to recover than for smaller ones. The result would be to assist the process of industrial concentration and mean that the AAC recovery intended to be reallocated to small business interests and other land uses would tend to come disproportionately from smaller firms.

> The present proposed policy of reducing the AAC by 10% on TFL conversion with the opportunity for a comany to recoup the "lost" volume through value-added manufacturing again clearly favours a few larger integrated forest comanies. While the Government's intent to create further employment through secondary manufacturing is desirable, we suggest that the small independents have proven to be the largest creators of new employment throughout the past decade.
>
> *Mr. Dorner, R.P.F., Woodlands Manager*

* concern about the validity of withholding AAC

The policy of withholding AAC appears to penalize companies that have already performed well in meeting the stated objectives of good forest management.

It seems incongruous that if you have a proven track record of past performance, both in manufacturing and forest management, you are penalized ten percent of your allowable cut, but if you promise to do something in the future, you are rewarded up to ten percent. A policy that does not distinguish between good and poor past performance in allowable cut adjustments serious erodes a licencee's ability to justify and will to implement future forest management programs. It erodes both the concept of a clearly definable beneficiary able to gain from exhibited performance, and the concept of security of investment in TFL.

The second point of contention unfortunately involves assuming that making future commitments is the only method of recovering the ten percent reduction in allowable cut. Should not a commitment to a company-funded intensive forest management program also qualify in offsetting a portion of the reduction? It is conspicuous by its absence.

The third point of contention is the capping at five percent of the benefit to be realized through utilization of opportunity wood in one's area. Considering that opportunity wood is generally outside of the existing allowable cut and constitutes an additional available volume in the event it is used, the offer, in effect, is not an offer. In fact, if there exists greater than five percent of these types in one's area, it is a disincentive to indicate interest, as you will fail to gain the potential additional allowable cut over the five percent.

Doug Routledge, West Fraser, Williams Lake,BC,

Quota reductions during rollover only serve as a disincentive to licencees that are prepared to take on the increased financial liabilities. Since the same rules apply province-wide for the eligibility of licencee rollover, we feel that our interest may get overlooked in the provincial picture in favour of areas where there isn't as much concentration of industry activities and land use pressures. There may be great conflict unless the overlap of adjacent operators is small.

Ironically, the methodology used in the rollover policy inherently does not address the areas where industry has already built an infrastructure of development and secondary industries and where there is the most need for long-term tenures. The areas where there are many interested parties may get the backburner so that less conflicting applications are addressed. Before our areas are considered, the aggregate share of the provincial annual allowable cut will be up to the limit discussed in the information package.

Whitey Andersen, Vice-President, Caribou Lumber Manufacturers' Association,
Jacobson Bros., Williams Lake

5. Disposal of Timber to Third Parties

* concern about allocations to the SBFEP

Arguments were advanced which disagreed with the Ministry objective of increasing the AAC allocations to the small business program. One reason for this view is that it represents the transfer of jobs from secure to insecure employment rather than the production of new employment. A second reason presented was that smaller companies lack the capacity to manage forest land in the sustainable fashion possible for larger companies.

* alternative to small business allocations within TFL's

> One approach could be to set aside an area-based tenure within each TSA which is dedicated to the Small Business Forestry Enterprise Program; treat it, in fact, as a TFL, at the same time, and under the same process as other TFLs are being established.
>
> This area would then be managed in the same manner as a TFL with the only exception being that the Crown would act in the role of the licencee and the timber to be harvested would be competitively bid.
>
> *Bill Markvoort, Independent Timber Marketing Association*

PART IV
CONCERNS ABOUT THE ROLE OF MULTINATIONALS AND THE IMPACT OF CORPORATE CONCENTRATION RESULTING FROM THE TFL CONVERSION POLICY

I believe we can trust the major forest companies to do precisely what they're in the business to do -harvest the old growth forest, convert it to product saleable on the world market and recover the maximum profits possible. They are fulfilling their responsibilities to their shareholders in the manner that they deem fit and right, and if we expect else from them we are sadly mistaken.

Harold Macy, President, North Vancouver Woodlot Association,
Provincial Secretary, British Columbia Federation of Woodlot Associations,
Manager, 700 Hectare Forest, Oyster River Watershed

Many of B.C.'s communities are forest-based and decisions made outside B.C.'s borders can lead to serious community instability when they involve the closure or relocation of production facilities. It is this lack of local control over the management of B.C.'s forests and the wealth they provide that is the source of growing concern and criticism by the public. Aside from people wishing to have more community control of their economy, they are sending a loud and clear message that local communities would like to have a greater say in the management of non-timber resources as well. Again, distant decisions made which affect recreation, wildlife, water quality, and aesthetic values, to name but a few, are viewed with distrust in local communities.

M. Dorner, R.P.F., Woodlands Manager, Herman Sawmill Ltd

The consolidation of manufacturing and resources rights into a fewer large enterprises through the TFL expansion, in the belief that this will enhance industrial efficiency and productivity has severe implications. The viability of smaller firms become threatened. The opportunity for new enterprises diminishes. Competiton for timber and intermediate products decrease. The geographic, social, and political dispersal of economic activity is constrained. The result is a suppression of diversifity within the industry and an erosion of the stability of small communities dependent on the forest.

Don Edwards, Truck Loggers' Association

In summary, it should be pointed out that this new generation of TFLs will not create further concentration in the forest industry, as many of the public have been misled to believe. The harvesting rights and questions are already allocated, so the tenure is simply being updated.

The government's policy is neither a land grab, nor a give-away. More correctly, it is a good business deal for the people of the province. The costs of raw material security from a TFL, mainly increased annual rents, forestry expenditures over and above the basic legal requirement, and capital improvements to processing facilities are acceptable

> to us. These expenditures benefit the people of the province by generating more jobs, by generating more revenue for government, and by improved forest management for the stewardship interests of the TFL.
>
> It seems to us that the anti-TFL lobby is misdirected. Harvesting rights or tenure agreements are contracts with specific standards, and penalties for non-compliance. With various government agencies holding the audit mandate, an informed public should not restrict access to the resource, but could ensure adequate funding of agencies. We have the responsibility to further ensure that the people of the province get a fair return of the development of the forest resource.
>
> *Conrad Pinette, Vice-president, Northern Interior Operations, Fletcher Challenge Canada Limited*

1. Evidence for corporate concentration which could arise from implementation of the policy

Frequent references were made to the existing concentration of tenured AAC in the hands of large forest companies and the further interlocking control of the companies by a still smaller group of corporate owners. Concerns were expressed that the largest proportion of the volume-based licences were already allocated to the largest firms and that conversion to TFL's would act to increase the impact of the concentration by conferring a very high degree of long term control of forest land to excessively limited ownership.

> In B.C., one firm cuts 27.2% of the timber. The top four major companies cut 59.9% while the top 8 firms cut 81.4% of the timber. The 8 major firms therefore have enormous powers as resource suppliers and resource customers. Furthermore, their hold on the timber resource through renewable agreements almost eliminates the threat of new entrants. These factors imporve their position in the industry. To further consolidate control of the forest land base in the 8 largest firms through forest licence rollover policies will transfer even more economic power into the hands of a few.
>
> *R.F. Torney, Husby Forest Products Ltd, Parksville, B.C.*

> It is difficult for a free market to operate efficiently when the marketplace is dominated by a small and ever-diminishing number of corporations. We feel that the greater the percentage of AAC held in the hands of Small Business Forestry Enterprise Program, the more active and competitive the marketplace for logs will be.
>
> *Bill Markvoort, Independent Timber Marketing Association, Vancouver*

2. Concerns about the objectives and accountability of Multinational Corporations: Shareholders vs the public interest, external investment of profits

Large corporate size was presented positively as conferring economy of scale, ability to marshall large efforts to manage complex harvesting and silvicultural programs, competitiveness in the international marketplace, and ability to invest in new plant and technologies essential to developing products for future markets. When multinational ownership and organization is added to size, a number of negative aspects were seen to be causes for concern. Presenters argued that large multinational companies are oriented towards return on investment on a global basis and exhibit no allegiance to the country where they invest, the communities which their enterprises support, or the employees that they temporarily require. Speakers advanced fears that the large corporations were responsive to shareholders and boardrooms far from the scenes of environmental and social impact and that profits earned from British Columbia were likely to be invested abroad rather than re-invested in the long term interests of the local economy.

> Tonight on TV I saw an ad by MacMillan Bloedel-very persuasive and attractive it was-and yet I hear that this company is about to build an enormous pulp mill in Tasmania (profits from our forests going elsewhere).
>
> *Joan E. Adams, Kelowna, B.C.*

> The argument and promises by the multinationals are made on behalf of investors that are thousands of miles away in New Zealand, New York, and Europe. These conditions produce profits for the corporations, but limited benefits for the local community. Many wood processing facilities, such as sawmills and pulp mills are modernizing with computer optimization equipment, which requires fewer labourers. Therefore, reducing the production costs of the companies, and increasing profits for offshore shareholders at the expense of local community employment and community stability.
>
> *Mr. Ignace, Shuswap Nation Tribal Council*

> Multinational forest companies have a single interest in the forest resource, which is to make money from it. Acceding to their management of large tracts of British Columbia is not in the interest of the multiple uses that that land may have, such as recreation, wildlife habitat, aboriginal homeland.
>
> *Julia Fortin, Lakes District Friends of the Environment*

> Politicians are not always right and their decisions not always wise, but at least they are affected by what they do. Even our Premier will still be a part of this province after he has left office, and he will therefore, be affected by actions he takes now. But this is not so with regard to the large companies. In many cases, those who make decisions do not live here, and in any case, the company itself is not sensitive to its actions, it is not made of flesh as we are, it does not have feelings, it does not work and grow old, it does not

> retire. And when it's gone, it does not leave any children in its place to suffer the consequences of its actions. In short, the company has no reason to care what happens to our forests. In fact, the company was never intended to care. It's purpose is to maximize production and profits in the short-term. And yes, indeed, the system works very well, better than any other system yet devised for that purpose. Our present standard of living is testimony to that, if we ignore the accelerating degradation of our environment.
>
> *Larry Damer, Arrowsmith Ecological Association*

3. Experience with the economic practices of existing multinational TFL holders

Large multinational forest corporations and the industry in general face cyclical variations in the profitability of forest products. As most products are exported from the province, they are extremely sensitive to international fluctuations in market prices, competing suppliers, trade regulations and changing currency values. In this kind of situation companies have periodically faced conflicts with their employees and with the public over commitments to security of employment and the direct financial returns to the province. In recent years there has been a trend to capital intensive investment in automated conversion plants and mechanized harvesting which has systematically displaced labour.

Plant closures, new plants opened with reduced employment, layoffs in the face of promises made when TFL's were granted or ownership transferred, and abandoned communities are fresh in the minds of many presenters. They see these events not as inevitable elements of the marketplace but as evidence of the insensitivity of the multinationals to local concerns. These people are concerned that the granting of TFL's does not significantly change the basic objectives of the companies but merely changes the rules under which the minimum cost of doing business is calculated.

> One of things that has been going on is the large versus small, or the local versus national or international, or multinational issue. A corporation's business is to make money, and to make profit. They have no interest in forest management in British Columbia. They have no interest in opening up recreational grounds. Those may be the costs of doing business here, but that's not the point of doing business.
>
> *Peter Johnson, Parksville*

PART V

CONCERNS ABOUT THE INCLUSION OF LAND AREAS WITH UNRESOLVED NATIVE LAND CLAIMS INTO NEW TFL'S CREATED BY IMPLEMENTATION OF THE POLICY

> We do not want to lose our way of life or culture. We feel very strongly about this. Our trap lines are going to be logged off because they aren't as important to the big companies as they are to us. Who is it that sets these values? Are they set only on a dollar basis? What, then, is the price of tradition? How much is a way of life worth? How do we teach our children about that part of our culture? How do we explain that their traditions, that their very roots were taken from them? Can we tell them that the forest companies had to make a profit, so we sold them out? How long before it disappears?
>
> *Mike Metcalfe, Economic Development, Fort Ware Indian Band*

1. Public response to the Provincial position on Land Claims

Presentations on the subject of aboriginal title were made both by Native representatives and by non-native speakers. The essence of the native position is that, in most cases, there has never been a legal transfer of ownership of aboriginal lands and that many land claims remain to be resolved before the true ownership status of much forested land can be determined. Transfer of crown land into TFL status appears to convey "proprietary interest" in the land to the licence holders that they can use to raise capital, sell, or seek compensation. The exercise of company rights under TFL's decreases the value of the land for traditional native uses, violates spiritual values, and earns economic returns which are rightfully those of the native owners. Native speakers insist that no licences should be converted before the land claims issue is formally addressed by British Columbia.

Non-native speakers emphasized support for the native position to the extent that the province should retreat from its official position of non-responsibility and deal with the claims issue as a matter of urgent priority.

The Kwakiutl First Nations' position with regard to the proposed conversion of other timber harvest tenures to tree farm licences is that no new tenures be granted pending settlement of comprehensive land claims that were accepted for negotiation by the federal government in March of 1988. Furthermore, the Kwakiutl First Nations assert that they have aboriginal title to all traditional Kwakiutl land as outlined in the land claims submission and based on Royal Proclamation of 1763. The Kwakiutl have occupied the land for thousands of years and continue to use it for trapping, hunting, clam digging, gathering and other needs. As well, there are numerous culturally significant sites that could be damaged or destroyed if third party interests are allowed onto Kwakiutl lands.

Karl Sturmanis, Community Planner,
Kwakiutl District Council, Kwakiutl First Nations

The Treaty 8 Tribal Association is also very concerned with the TFL system as it designates vast areas of timber to private companies. Treaty 8 promised the Indians land on reserves totalling 128 acres per person, or land apart from the reserve at 160 acres per individual. Based on this formula, large areas of land are still owed to the Indians of northeastern B.C. Because of the land entitlements still owed the Indians in this area, T8TA can not allow the issuing of TFL's without first being consulted. If TFL's are issued without the consent of T8TA, court action will be taken to ensure that the land which the Indians are entitled to is protected.

Carl Reimer, Treaty Consultant, The Federation of B.C. Treaty Nations,
Fort St.John, B.C.

Before the railways, the people of Lytton were busy, spending much of their time, stocking up for the winter, and doing extensive trading with their neighbours. However, it took a lot of time to put together a grub stake in those days. Things are much more comfortable these days, for most people--but for others, it's a living hell! The social decadence, which is now beginning to happen, is going to increase much more quickly, once the resources are depleted. Something must be done to shorten the gap between those who are extracting dollars from the Land, and those who are trying to stay on the Land. I make this distinction here, because this is where the confrontation exists; between the corporations, who want to extract dollars from the Land, and the Natives, who believe the Land is crucial to our survival, and must be treated with more respect.

Bill Buttuls, Lytton, B.C.

...If a Royal Commission didn't have the mandate and authority to review the question of aboriginal title and rights upon which any kind of forest tenure has to be based, I don't believe that should be the first step. I think the first step is to settle this outstanding question, this injustice, this lack oftreaty and agreement between the Native First Nations and the Province of British Columbia.

John McCandless, Lillooet Tribal Council

Members of the Catholic Organization for Development and Peace gathered at Camp Morice, Fort St. James B.C. on March 3rd, 4th, and 5th. We are alarmed by the Provincial Governments granting of Timber Cutting Licences to companies without taking into account native concerns.

...We urge that the views, hopes, and aspirations of the native people of the Fort St. James area be seriously considered before TFL's or Logging permits be granted and that negotiations begin toward a viable land base for native peoples in this area. The Carrier-Sekani people have filed their claim in 1983 and have not heard a response yet from the government.

...The dignity of peoples and the good stewardship of the natural resources including our environment must take priority over the maximization of profits. The native people have this vision of life which is so contrary to our capitalistic free-enterprise machinery of business. In the long run which vision will boast the greater prosperity of humankind.

Fr. Ken Forster OMI, Catholic Organization for Development and Peace

There's a growing need for the government to address this problem, and I believe this process that you're involved in now will just aggravate this and make people more frustrated with the government's position. I don't think that the position you've read, while it's historically accurate, it's not what people want today.

Jane Brett, Parksville

The time has come for this province to act in a mature fashion, to enter the adulthood of nation-building by accepting the reality of the province's joint responsibility with Ottawa for settlement of aboriginal title and rights. The issue is not going to go away. Native peoples and their supporters are determined they will retreat no further. It is a new age. South Moresby, the Stein Valley, Meares Island, the Babine River, are only the opening rounds. Almost every day another confrontation is reported, while others are months in the courts. The Province of British Columbia cannot close its eyes and pull the covers over its head and talk about tree farm licences that will blanket the province, while ignoring the key issue of ownership of the land.

Mavis Gillie, Project North

To see the issue of aboriginal rights as a contest between whites and natives over property is to over-simplify the issues. All peoples, whites and natives, wish to have some control over decisions which shape their lives and futures. All people wish to have the opportunity to make a living, to raise families, and to live in accord with their community values. Where native people differ is in the fact that their identity and very existence is linked to their traditional lands. They did not come from some other place to be where they are. They do not want to be forced to go elsewhere.

Michael Kew, Vancouver Branch,
Aboriginal Rights Coalition Project North

2. Impact of TFL status on the cost of settlement of land claims

Native presenters expressed concern that conversion of licenses would place land claim areas into a form of tenure in which the potential compensation for withdrawal would substantially increase. The result would be to increase the resistance to proper settlement of claims and to arbitrarily escalate their potential cost to the public. This concern is consistent with an often expressed view that granting of TFL's, which bear no initial cost to the licensee, is a gift of future compensation to companies, considering the inevitability of having to accommodate other land use interests during the life of the TFL.

> *S8* The corporations holding tenure with the Gitksan Wet'suwet'en territories appear to have two objectives. First is to log as much of the most profitable timber as they can before the title case is decided. The second is to ensure that they get as much cash compensation as possible from the B.C. or Canadian taxpayer, and they can do this by rolling over their forest licence to tree farm licences and thus increase their compensatable period from 15 to 25 years. The example of South Moresby can indicate the level of funding required.
>
> *Marvin George, representing Don Ryan,*
> *Gitksan Wet'suwet'en Tribal Council*

> *S12* The proprietary interest of the tree farm licences will make fair and expedient settlement of the land question throughout British Columbia much more difficult. Whether by design or accident, governments may find that purchasing third party proprietary interest in tree farm licences to be excessive costs.
>
> *Collier Azak, Tribal Forester, Nisga'a Tribal Council*

3. Future insecurity of tenures which include areas with unresolved claims

One of the main arguments for the tree farm licence is that it grants security of tenure to the licencee so that it can plan for long term investment. Questions were raised about the true security of a land base included in a TFL which is encumbered with unresolved land claims. The indications that companies consider these claims to be a threat to future access to the existing tenures was indicated by the concerns of one presenter who cited recently accelerated logging and high grading in areas designated as claims.

> The industrially exploitable forest of the Gitsksan Wet'suwet'en territories are designated by the Ministry of Forest as the Kalum North, Kispiox, Bulkley, and Morice Lakes timber supply areas of the Prince Rupert region, and the annual cut has increased dramatically since the written Chief's title against--the written Chief's title case was filed in 1984.
>
> *Marvin George, representing Don Ryan, Gitksan Wet'suwet'en Tribal Council*

> We, as members of the public, share a common goal of realizing the settlement of Specific Claims by the province of British Columbia, prior to the awarding of new Tree Farm Licences. These claims and any others of this nature impose a serious impact to the future considerations of tree farm licences. The provincial government must consider this as a determining factor in the development stage of new tree farm licence proposals submitted by industry.
>
> *Cariboo Indian Enterprises, Nazko Indian Band, Ditidaht Indian Band*

> B.C. is the only province in Canada that has refused to enter into land claims discussions, claiming they do not exist. Yet it seems the province wishes to tie up the land in B.C. with third party tenures in an attempt to diffuse the very claims they say do not exist. If this is indeed the goal of the province, it could be a very costly exercise for all taxpayers, especially with licences wanting compensation for the lost long-term tenure awarded to them under the Forest Act.. From the standpoint of cost-effectiveness and long-term security with long-term goals for tree farm licences, it would seem only prudent to resolve the land and resource issues before deciding how to parcel and allocate.
>
> *Leonard Thomas, Vice Tribal Chief, Carrier-Sekani Tribal Council*

4. Native controlled forest tenures

Native speakers put forward a suggestion that the province issue more native controlled tree farm licenses that could then be managed according to native environmental standards and for the benefit of native employment and community development. They suggest that this may be a way of resolving some of the pressure that is building over perceived exclusion from historically exercised rights over aboriginal lands.

> The forestry resource is interlaced with our quality of life. We do not see our everyday lives as a battle to conquer the environment by removing trees from whole mountainsides to demonstrate or exert man's supremacy over nature. We, as forest managers and users, understand that we must share the forest with other living creatures and other resource users, that the forests are to be managed in perpetuity, not solely for profit. To manage for a long run sustainable yield that provides for many other uses such as tourism, hunting, fishing, recreation, wilderness, and wildlife is necessary.
>
> *Mr. Ignace, Shuswap Nation Tribal Council*

This TFL is the Tanizul Timber Limited which is owned by Stuart -Trembleur Lake Band has been in operation for approximately seven years. This TFL has an annual allowable cut of 130,000 cubic meters and supports approximately 132 full-time and part-time jobs. This particular TFL is a successof major impact on the social economic climate for the Indian community and the surrounding areas of Fort St.James and Prince George.

ITFABC recommends community tree farm licences. ITFABC is proposing to the Minister that the forestry needs of a smaller community, and particularly Indian communities, be considered before there is any rollover of forest licences into tree farm licences, or any new large tenures granted.

We believe that there is much greater potential for job creation in value-added secondary industry in the forestry sector through smaller community-based tenures.

Harold Derickson, President, Inter-Tribal Forestry Association of British Columbia

We believe that a Nisga'a controlled tree farm licence in the Nass Valley may successfully protect our forest and assure a diverse, sustainable economy for our people. This will be possible because Nisga'a view ourselves to be part of a forest. Therefore, we find it easy to be stewards of forests, or in other words, to use forests wisely and to protect them for the long-term benefits of those who follow us.

Collier Azak, Tribal Forester, Nisga'a Tribal Council

Holistic forest use proposes that we zone forests for a variety of activities on a watershed by watershed basis. Holistic forest use recommends that we abandon harsh practices such as clear-cutting, slash burning, pesticide applications, and highgrading or the removal of only the best timber.

Collier Azak, Tribal Forester, Nisga'a Tribal Council

The new forests in the valley need a considerable amount of silviculture work. We have the manpower to turn this valley into a model forest that would not only generate jobs and economic activity for the Nuxalk people, but would stimulate the economy of the Bella Coola Valley as a whole.

This TFL would also open up the Necleetsconnay for salmon enhancement. In forestry and fisheries, this valley could be employed in local milling and manufacturing industries. The Nuxalk Band Council is presently working to develop a joint venture that would develop new value-added technology in British Columbia. This technology takes good and poor quality timber and produces a high value product that is in great demand. This could be a major start towards Nuxalk self-sufficiency.

Archie Pootlass, Chief, Nuxalk Indian Band, Bella Coola

The Red Bluff Band have pursued their forestry management plan and operating plan and they are now intending to go into forestry small business. And for this conversion to tree farm licences, they feel that it will deter their plans to go into forestry small business and they are asking the Minister to make a commitment to support Indian bands in their efforts in this area of small business.

Mary Thomas, Caribou Tribal Council, Williams Lake, B.C.

We, the Ulkatcho people, realize that forests sustain us; we do not sustain the forests. Therefore, we do not condone the exploitive industrial forestry practices which jeopardize our future and that of other people living in British Columbia. If tree farm licences are to be granted, holders of these rights must recognize the interconnected nature of forests and must diversify their activities, focusing on the long-term protection of all aspects of a forest.

McKinnon Jack, Ulkatcho Band of Anahim Lake, Williams Lake, BC

This is not the first time that the Council of Fort St. James has come out in support of the TFL concept. In 1982, we gave our strongest support in favour of a tree farm licence application to the Stuart-Trembleur Indian Band, competing against several other companies. The band ultimately got the TFL and has been operating it quite successfully. Not only did the TFL benefit it, the Stuart-Trembleur band members in gaining much needed employment opportunity and an opportunity to manage their own resources, it has also contributed to the economy of Fort St. James, Fraser Lake, as well as Vanderhoof.

Jim Togyi, Village of Fort St. James

PART VI

CONSTRUCTIVE STRATEGIES FOR COMMUNITY INVOLVEMENT IN THE MANAGEMENT OF LONG-TERM AREA-BASED TENURES

1. Community managed TFL's.

Community representatives spoke consistently about their concerns that the system of forest tenures live up to the original rationale, the provision of community stability. Some communities have experienced excellent ongoing relationships with TFL holders and see the TFL as achieving its purpose under current ownership and allocation patterns. Others believe that more sensitivity to local economic matters would result from granting of forest management rights to local communities. They argue that local community management would bring a balance between extraction of immediate benefits and stewardship of resources for the long run.

In this case, the incentives inherent in the TFL system for sustaining the productive capacity of the land and developing secondary manufacturing for increased employment would coincide with the vested interests of the licencee.

The allocation of tenures to communities, it was suggested, should be supported by the development of a Forest Service Extension Program which would assist the tenure holders to make correct management decisions.

> With the dual objectives of improved forest management through an increase in the amount of forest land under TFL administration and more local decision making and control over B.C.'s forests, we suggest the Ministry actively support the concept of community-based TFL's. As they have several obvious advantages. The positive aspects of T.F.L. management can be blended with the need for community employment and economic stability as well as for providing a better mechanism for addressing local concerns regarding the environment and other non-timber values. In short, community-based TFL's are likely to be more responsive and flexible to local needs and hence would receive a higher level of support by the public.
>
> *M. Dorner, R.P.F., Woodlands Manager, Herman Sawmill Ltd*

We favour the award of TFL's to certain municipalities, where they are holders of private land with adjacent crown forests. Where municipalities express an interest to manage land under a TFL tenure, it may be reasonable to consider applying some SBFEP quota to this purpose.

W.D. Ewing, R.P.F., R.L. Caesar, R.P.F., W.G. Burch, R.P.F.,
S. Techy, R.P.F., P. Eng, A.G. Farenholtz, R.P.F., K. Holmsen, R.P.F.,
M. Stewart., R.P.F., J. Standish, R.P.F., R.E. Rogers, R.P.F.

We believe the government should look at a new system of TFLs, a system which would see the communities themselves playing a role in guiding their own destinies. And a good place to start would be in TFL 46. If the govenment placed the control of that licence in the hands of the various communities and the workers, we believe that the incentive would be there to manage those lands for the long-term good and stability of these towns and villages, not the short-term maximum profits of a single corporation.

Bill Routley, First Vice-president, Duncan Local,
International Woodworkers of America

If we want to see the same level of management as in Sweden, something the Honourable Mr. Parker says he wants, the way to achieve this is not to turn massive areas over to the profit-motivated corporations, but to give small Canadian family and community businesses the support they deserve.

Endo Nyland, Retired Professional Forester

P43 Has the Minister considered turning his responsibility over to regional districts, or better still, districts based on ecological zones, where the local citizens can find employment for themselves, for their children, for their grandchildren, managing effectively in perpetuity.

Neil Atkin, Gabriola Island

P47 We respectfully suggest that the Ministry work with TFL holders and our Regional District to see if there can be some cooperative manufacturing facilities established, whereby small volumes of surplus wood from the forest and dryland sorts be contributed by individual TFLs to support north Island facilities. Local manufacturing initiatives such as innovative pulping processes, power from wood waste, and other recovery schemes must be reviewed. We believe that such local initiatives are achievable, and that the Ministry and the companies will find the north Island a profitable place to invest, and that there will be cooperation from the local communities, unions, and the logging industry.

Bill Shepherd, Regional District of Mount Waddington

P54 A small number of large companies can never win a battle to maintain a stable forest base against single-use organizations. For this reason, I would strongly recommend you consider municipal sustained yield licences so that all in the municipality would know full well that if they didn't take care of their forest and their land base, they wouldn't get wood elsewhere. These licences would neither be saleable nor transferrable. With a secure forest base, an area could promote a future processing plant and further processing.

Cyril Shelford, Parksville

2. Community participation in the management of company TFL's

Suggestions were presented for community participation in the management of TFL's. Some speakers indicated successful models of ongoing informal cooperation between communities and TFL holders while others wanted a formal status to be created which would place them at the decision making table. The spokespersons who wished to see more formal arrangements believe that the public concerns for sustainability of forest practices, accommodation to other land use pressures, and concern for local employment security would be more vigorously addressed if direct participation was required.

> There is some uncertainty among members of the Regional Board as to the ramifications of the new policy initiative on the integrated watershed management planning process and in particular, on the plan which has been established for the Norrish Creek watershed. Provincial objectives should not overshadow the long term responsibility in the management of domestic watersheds.
>
> *L.J. McKimmon, Chairman*
> *Dewdney Alouette Regional District,*

> Recommendation: That the District of Chetwynd have full access and input into future plans concerning view areas such as Windrem and Widmark Creeks watersheds to prevent floods such as in the spring of 1988. As well, to preserve the natural wilderness appearance of surrounding areas to allow further enhancement of the tourism industry.
>
> *Mayor Charles A. Lasser, Chetwynd & Area Joint Venture Commission,*
> *Chetwynd, B.C.*

> We would like to be involved at a very early stage if any portion of the Indian Pitt Provincial Forest within or adjacent to the District of Coquitlam is proposed for such tenure, if the stated approach changes.
>
> *D.M. Buchanan, Planning Director,*
> *District of Coquitlam, Coquitlam, B.C.*

> On the item of the five percent small business development program out of the TFLs, the three municipalities on the west coast are requesting that the five percent be held by the three communities, and that we would administer that five percent. The Municipal Act under section 645(6) allows council to make tree farm licence-type agreements with the Ministry of Forests by combining land in the forest reserve with provincial Crown land, either in or out of the municipality for the purposes of having some kind of economic tenure on that forest-based land.
>
> *Margaret-Ann Fiddick, Village of Gold River*

3. Expanding the Forest Management Structure

Strategies for addressing land use conflicts or controversies over forestry practices included suggestions for a variety of new structures. Arguments were advanced for regional forestry councils, a forestry ombudsman, an integrated land management commission, a provincial forestry board, and community forestry boards similar in structure to school boards. All these proposals are intended to provide for an effective and publicly credible level of contact between average citizens, government, and forest companies. They would serve to air and resolve the many concerns raised in the information sessions that appear to be escaping resolution under the current management structure.

> ...We propose the formation of much smaller, privately-owned forest licences under the jurisdiction of elected community forest boards, and subject to local cutting restrictions and silvicultural practices within limitations set out by the provincial Forest Ministry.
>
> *Beverley Holden, Cowichan Valley Greens,*
> *Green Party of Canada*

> I'm thinking in terms of the supervision of the foresty industry. We may well need something like a School Board, like a forest TFL 44 board that is elected citizens, ordinary citizens who have decided that this is important enough to volunteer some of their time on.
>
> *Gayle McGee, Nanaimo*

> A forestry board composed of government, community, company, and environmental people, such board to monitor the results of private, corporate, and governmental forestry policy. It should be empowered to report to the Ministry, the legislature, and the media.
>
> *Merv Wilkinson, Private Non-registered Professional Forester*

> In summary, we are opposed to the issuance of new TFLs because we feel they reduce the direct control of the public over management and planning of public lands. We recommend a move in the opposite direction. We feel that management of public forest lands should be put in the hands of local steering committees which include all forest users and relevant provincial Ministries, not just the Ministry of Forests and the timber industry.
>
> *Greg Utzig, Kootenay Lake Watershed Alliance, Nelson*

4. The need for consultation in cases of layoffs and closures

Plant closures and layoffs are major events for small communities whose economic base is dependent on the forest industry. When this happens without prior notice and without consultation about how to cushion the impacts, it is grounds for considerable anger. Presentations were made which referred to these kinds of events and give rise to the proposal that all such closures should be subject to discussions between companies and the local communities affected.

PART VII
CALL FOR A FORMAL REVIEW OF FORESTRY

1. Call for a Royal Commission

Many presenters at the information sessions favored the idea of a Royal Commission.

They generally believe that the accumulation of unresolved issues is so great, and the capacity of the Ministry to deal with them so diminished, that the only objective way of dealing with the situation is a formal, independent, public review, complete with sworn testimony and backed by careful research.

Others, however, see a Royal Commission as an unnecessary and costly mechanism which would delay implementation of a desirable policy. They feel that the public reviews built into the conversion process and the ongoing review of management and working plans within TFL's are sufficient machinery to deal with the significant issues.

> The B.C.S.L.A. urges the Ministry of Forests to establish a Royal Commission to examine sustainable land use policy objectives and how these objectives might be met, for the management of British Columbia's forests.
> *N.S. McLean, President, British Columbia Society of Landscape Architects, Vancouver, B.C.*

> We would urge you, Mr. Minister, not to abandon what we think is an excellent concept because it doesn't please some, but rather carry on and examine each application in detail, hold hearings, become informed, then judge and make a decision on each application based on its own merits. No one expects you to grant licences to all applicants just because the tree farm licence concept is retained. The concept is good.
> *Doug Monroe, Acting Mayor of the District of Mackenzie*

> Now, therefore, be it resolved that we, the Council of the Town of Smithers, request the Minister of Forests to appoint a Royal Commission to examine all aspects of the forestry industry including the aforementioned fundamental problems and to delay the Tree Farm Licence conversion proposals until the Royal Commission has fully examined the issues and determined what is in the best long term interest of the citizens of British Columbia.
> *Brian J. Northup, Mayor, Town of Smithers, Smithers, B.C.*

Following the information process, a motion was passed unanimously at our open annual meeting (Penticton March 11) which was attended by 244 residents:

> The Okanagan Similkameen Parks Society, the Ten Days for World Development Group, and other concerned Penticton citizens request that no futher tree farm licences be granted until a Royal Commission is appointed to completely review the issue and unbtil the recommendations of the commission have been considered by the government.

D. Sloan, Acting President, Okanagan Similkameen Parks Society

The Council of Forest Industries of B.C. believes the pressing issues of concern related to the forest sector have already been well examined and that actions can be taken based on known information to effect any changes necessary to forest policies. In COFI's view the establishment of a public inquiry is unnecessary at this time and would cause unacceptable delays in actions required now to deal with very serious problems affecting the sector.

There are several matters critical to the immediate future health of the forest industry which cannot and must not be delayed because of the inevitable time required to assemble and carry out a public inquiry. Prime among these is the need for the Provincial Government to adopt a new stumpage system which recognizes and is sensitive to market flucuations and regional differences in timber quality and supply access.

...The issue of log exports will be examined by the Legislature's Select Standing Committee on Forests and Lands.

...The Dunsmuir Agreement on a Provincial Land Use Strategy was concluded in November 1988. The agreement identified the principles that should underlie a land use strategy for B.C. and set out steps necessary for its establishment.

The Provincial Government recently appointed a Task Force on the Environment and Economy to advise on ways to foster and promote environmentally sustainable economic development under the Chairmanship of Dr. David Strangway.

The recommendations of the Wilderness Advisory Committee have not been implemented and as a result controversy instead of compromise continues to characterize the issues...

Far more important is the need for government to act upon the information which it already has from an existing wide range of sources to address issues of immediate consequence to the survival of a large part of the forest industry and the livelihood of those dependent on it.

T.M. Apsey, President and Chief Executive Officer,
Council of Forest Industries of British Columbia

> PPWC is on record of calling for a Royal Commission of inquiry to all aspects of the forest industry as the most logical way to completely revise the Forest Act.
>
> *Garry Worth, Pulp, Paper, and Woodworkers of Canada*

> Among my fears, if we go the Royal Commission route again, is the lost time in establishing intensive forestry systems involving incentive-oriented people. Immediate decisions are needed on government policies and leadership for TFLs, woodlot licences, log exports and priorities of other forest land based uses related to the concept of sustainable resource development.
>
> *Jack Bakewell, Professional Forester, Forest Engineer working as a consultant*

> ...Today's economy, and especially the tourism industry, demands that our forest lands be managed for a variety of uses in a variety of ways. To ensure that this happens we have to have a complete review of the way in which Crown forests are managed. A legislative review process is required now before the values that tourism depends on are lost.
>
> *John Makes, Back-country Tour Operator, President, Wilderness Tourism Council*

> Before you proceed to allocate one more hectare of our valuable forest lands, there must be an accounting, a reckoning of past management. A fully constituted Royal commission or judicial inquiry with subpoenaed witnesses and intervenor funding and cross-examination is probably the way to do it, but not like last time....This time the Commission must be fully empowered and independent.
>
> *Vicky Husband*

* scope of the enquiry

Those who favor a Royal Commission list the following concerns as proper matters for the commission:

- examining the concentration of corporate ownership and control of forest tenures, the role of large multinational companies, the balancing mechanisms that encourage the growth of medium and small businesses which are locally owned and controlled, and the means which prevent the future accumulation of smaller companies and their tenures into the large corporate blocks

- determining what should be the appropriate balance between area and volume based tenures; the appropriate distribution of rights among large and small private interests; and the distribution of tenures between private companies and incorporated communities as a precursor to any major increase in the amount of land in tree farm licences

- assessing the direct financial and employment generation returns to the public that are actually arising from different sizes of tenure
- examining the arguments surrounding the issue of competition for wood supply and proposing strategies for balancing the advantages of long term security of supply with the advantages of competition for optimizing the various kinds of returns to the public
- examining the returns to the Crown for the exploitation of public timber, including the means of calculating stumpage charges, verifying compliance with reporting requirements, determining whether the magnitude of charges is in proportion to the benefits conveyed to companies by the financial arrangements, determining who is actually paying for the long term silvicultural effort and addressing the concerns about whether the stumpage arrangements represent subsidies that affect our trade status with the U.S.A.
- examining the means for ensuring that community support and employment development objectives that lie behind the granting of long term tenures are implemented and maintained by companies that are granted the tenures
- determining the actual sustainability of current plantation establishment practices including the rates of planting, the efficacy of stand tending and the reduction of the backlog of NSR, especially with respect to performance on the existing TFL's where the AAC has been increased to reflect projections of future plantation success
- assessing the record for meeting stated provincial objectives for sustained yield, allowable annual cuts, adherence to utilization standards
- assessing the impacts of destructive harvesting practices on the future capacity of forest land to meet the growth potential upon which the AAC is based

- assessing the size and capacity of the Forest Service that is required to fulfill its role as manager of the public interest

- assessing the staff size, capacity and relationships necessary to ensure that agencies representing other resource interests can play effective roles in determining resource values and bringing them to the table when plans are being made for land use allocation and subsequent resource management activity

- establishing the integrating mechanism for achieving a balanced accommodation between timber and the other resources inherent in crown forest land, especially under the long term area-based tenures being proposed

- examining the current state of forest and other resource inventories to determine what the data base requirements are to support effective integration of resource management objectives and practices

- establishing the means for dealing effectively with public concerns about forest management practices, their concerns about the financial arrangements, their need for access to information and their desire to be involved substantively in the planning and execution of integrated resource use plans

- recommending a provincial strategy for dealing with the remaining old growth forests

- determining an effective approach to addressing land claims before granting of substantial new areas under tree farm licences

- assessing the arguments surrounding the economics, silvicultural requirements and ecological impacts of clearcutting

> Terms of reference should include: To investigate the optimum proportions of allowable annual cut to small, medium, and large tenures to maximize the return to the province in terms of employment and stumpage revenues; to investigate a method of insulating long-term silvicultural plans from short-term political objectives; to assess the Ministry's records for meeting stated objectives in terms of sustained yield, allowable annual cuts, market value of raw materials comparing processing and ultimate finished product values, utilization standards, logging methods, post-logging management, silvicultural practices, and environment, fish and wildlife, and let's not leave out tourism.
>
> *Norm Williams, Bob Woods, Roy Hagg, Howie Griessel*

> We think your Ministry must address through a Royal Commission of Forestry, the following as a minimum: Number one, a complete inventory of the forest resource; number two, a plan that will see sustainable forestry resources and jobs well into the future, i.e. value added products, secondary manufacturing, and elimination of raw materials export that directly affects jobs in British Columbia; three, a realistic look at stumpage and wood waste with a target being stumpage paid on timber felled; four, logging practices with the goal of eliminating wasteful clear-cutting of our forest.
>
> *Dave Thien, President, Local 592, Canadian Paperworkers Union, Port Alberni*

* membership in the Commission

Speakers who advocated a Royal Commission generally recognized the size and complexity of the task. They suggest that there should be more than one commissioner and that there be balanced representation on issue-specific working groups. Others call for clearly independent people who stand outside the industry itself.

> The Commissioners of this Royal Commission must be independent of government or forest industry, and as I said, there should be subpoenaed witnesses and intervenor funding. The purpose of this Commission would be to recommend a new Forest Practices Act, a new Land Use Act, and a wildlife Habitat Act, and make sure that we maintain biological diversity.
>
> *Vicky Husband*

> May I suggest that some sort of review carried out by competent and objective persons, of unquestioned independence from any interested source, is the only process that will satisfy the public of this province.
>
> *B.C. Gillie, Victoria, B.C.*

2. Other types of public review

- Concerns were raised about the time and expense likely to be taken by a Royal Commission. Alternatives were suggested which would involve establishing ongoing, regionally based task forces which would deal with the full range of forestry issues as they arise and provide for more regionally sensitive problem-solving and more extensive public participation.

- Some speakers want to see land use committees or a land us agency established which has the jurisdiction to bring about fully integrated policies and practices on crown lands.

- A suggestion was also advanced that the issues raised in the sessions be submitted to a full public inquiry under the Inquiries Act and be accompanied by a moratorium on licence conversions.

- A proposal was made to establish an advisory committee on development of secondary forest products which would examine product and market potential and work with communities that are concerned about diversification to ensure their survival.

> There may be some value in the establishment of a Public Lands Commission empowered to compile the inventory data, investigate alternative methods of zoning or the administration of public lands, and to establish land use policies for the public lands in B.C. The Commission could also be responsible for the development of regional land use plans for the lands in the public domain. Once the regional plans are developed and the zones established, then regional governments could administer the land use policies and applications to change the zoning, subject to the approval of the Commission. One model here is the Niagara Escarpment Commission in Ontario, although in the case of B.C. the mandate would be much larger. Some of the tasks for any group involved in developing a new approach to public land use will be to address issues such as the question of existing forest enture systems, logging practices, native land claims, the preservation of wilderness areas and associated species. It will be important that the focus of the approach include the marine as well as the land based ecosystems.
>
> My main reason for suggesting the Public Lands Commission as an approach rather than the use of existing agencies is that the Ministries of Forests and Lands (separately or together) are buried beneath a long history of policies, decisions, values, and prior commitments, and might find it very difficult to operate under an entirely new approach to the development and administration of policies and plans. They are well committed to what they now have and might be quite reluctant to generate new or creative solutions. I suspect that the existing resource agencies would not find it easy to operate under a different land ethic than they have used in the past, and might find it hard to become agents of the new "clients" who wish to preserve species, habitat, wild areas, and ensure that sustainable development does become a reality rather than a justification for multiple misuse.
>
> A Public Lands Commission would have to devise methods of ensuring the involvement of all people and groups having an interest in public lands (and waters). It would be extremely important for the Commission to clearly define its client constituency, but in recent years the activities of various groups should have made it quite clear that the mining and logging interests are not the only bodies with a vested interest in using, preserving, conserving, and sustaining the lands we call public.
>
> There have been a number of "revolutions" in the past. Perhaps the next one will be a major shift in the way public lands are administered. What is at issue is the way in which decisions are made about all the land held in the public domain. A method has to be devised that ensures that the public is involved in the choices.
>
> *Mike Humphries, Lasqueti Island, B.C.*

Be it resolved that control of the land base be removed from the Ministry of Forests and a new Ministry of Conservation be formed so that all land uses can be considered and true protection of the environment and an ecologically sustainable future as recommended in the World Commission on Environment and Development.

Friends of Ecological Reserves, Victoria, B.C.

This association is not supporting a call for another Royal Commission. We believe that collectively the public and private and government sectors already have or can assemble all the information necessary to make intelligent land use and management decisions. Let's not have another Commission when the time and money might better be spent consolidating, refining,and processing existing information from the project cited above and obtaining any additional data or input that's required

Dick McMaster, British Columbia Resorts and Outfitters' Association

The Interior Lumber Manufacturers Association strongly recommends that the government continue with the process for the replacement of major volume based tenures with tree farm licences. Only after a thorough review of each TFL proposal at public hearings will the government and the public be able to realistically determine if the creation of a TFL is in the best interests of all concerned in that specific area.

Roger Ennis, Interior Lumber Manufacturers Association

I think this Royal Commission or judicial inquiry should consist of a series of regional inquiries, operated by a group of people who represent all interest groups within that region. Those people will formulate findings and a report for the region, searching for a consensus, but where a consensus can't be reached, minority opinions will be expressed, as well as majority opinions. Those regional reviews then can be brought together provincially by another committee of people who represents all interest groups, publishing then recommendations to you and the government that represent both majority and minority opinions. Through that not only can we have, perhaps, constructive change in our forest use and our forest management, but also, perhaps we can have fair public education; fair, not misrepresented facts, about how our forests do and don't operate.

Mr. Hammond, Silva Ecosystems Consultants

In our view, based on the experience of the tree farm licence to date, the protection afforded the public interest during both the application procedure and the life of the tree farm licence and the public benefits derived from the tree farm licences, it would be against the public interest if the applications were not permitted to proceed. This does not mean that every application must or will be approved; it merely means that the public are entitled to receive and consider applications for the management of their forest resources. Each case must be decided on its merits in accordance with the criteria set to protect and enhance the public interest. The applications for tree farm licences must be allowed to proceed. Anything less would be a disservice to the people of B.C., and particularly the people of the Northern Interior, one of the regions having the fewest tree farm licences in the province.

Greg Jadrzyk, Vice-President. Northern Interior Lumber sector,
Council of Forest Industries of British Columbia

Appendix 1

PROPOSED POLICY AND PROCEDURES FOR THE REPLACEMENT OF MAJOR VOLUME BASED TENURES WITH TREE FARM LICENCES

This paper outlines initial proposals for implementation policy and procedures for the replacement of Forest Licences and similar tenures with Tree Farm Licences(TFL's). It was released in July, 1988, and circulated to Ministry of Forests' staff, other resource ministries, and potentially eligible forest tenure holders. Some comments were received at that time.

Due to the subsequent decision to review the overall policy to replace Forest Licences with TFLs, these implementation policies and procedures have not been finalized. This paper is now being distributed more widely to provide an indication of how Forest Licence to TFL replacement might be implemented if the overall policy is confirmed. Public input on these implementation proposals is welcomed along with input on the overall policy.

PROPOSED POLICY AND PROCEDURES FOR THE REPLACEMENT OF MAJOR VOLUME BASED TENURES WITH TREE FARM LICENCES

Ministry of Forests

July 21, 1988

Foreword

One of the objectives of government is to increase the amount of secondary and tertiary manufacturing of wood products that occurs within the province of British Columbia. In recognition of the additional investment required by the forest industry to achieve this objective, the Ministry of Forests will be implementing a program under Section 27.1 of the Forest Act that provides an opportunity for major licence holders to obtain increased security of timber supply.

The intent of the program is to allow holders of one or more replaceable forest licences, timber sale harvesting licences and/or timber sale licences to surrender those licences in whole or in part and to receive in return a tree farm licence. For those holders of the three above mentioned types of licences that already also hold a tree farm licence, the program allows for the surrender of those licences and the expansion of the existing tree farm licence.

Areas established as tree farm licences will be removed from the Ministry managed Timber Supply Areas (TSAs) and managed by the licence holders as separate units. The portions of the TSAs not converted to TFL will continue to be managed by the Ministry as TSAs.

The process proposed for Program implementation ensures full consideration of non-timber resources and land uses and provides for public involvement through a public hearing process.

A more detailed description of the proposed Program follows.

PROPOSED POLICY AND PROCEDURES FOR THE REPLACEMENT OF MAJOR VOLUME BASED TENURES WITH TREE FARM LICENCES

1. PURPOSE

Section 27.1 of the Forest Act provides that Forest Licences (FL) and/or Timber Sale Licences (Major) (TSL(M)) and/or Timber Sale Harvesting Licences (TSHL) may be surrendered for replacement by a Tree Farm Licence (TFL). The purpose of this paper is to outline the Ministry of Forests' intent with respect to the implementation of Section 27.1 provisions. The content of this paper and the response to it will provide the basis for the development of regulation, policy and procedures to guide implementation.

2. ELIGIBILITY FOR CONVERSION TO TFL

All holders of one or more forest licences, timber sale harvesting licences, timber sale licences, or some combination of the above, where the total Allowable Annual Cut of all licences being surrendered is greater than 100 000 m^3, are eligible to apply for conversion to TFL. This volume is considered to be the minimum required for a viable industrial forest management unit. Smaller volumes will be considered where it is proposed that the surrendered volume will be added to an existing TFL.

3. THE PROCESS

The process to be followed in implementing the replacement process under Section 27.1 is summarized in Figure 1 and described in more detail in Attachment 1.

4. APPLICATIONS

Applications and accompanying proposals must be comprehensive enough to allow for meaningful review at both the initial government review stage (Step 4) and the public hearing stage (Step 5) of the process. A basic outline is included in Attachment 2.

As a general rule, applications for TFLs:

(i) must not adversely affect the capacity of the residual TSA to meet the Crown wood supply commitments to other licensees in that management unit or result in a decrease in AAC of the other licence holders;
(ii) must not adversely affect the management of non-timber resources or land uses in the TSA;
(iii) must include forest types and sites more or less in proportion to their presence in the present TSA and must not exacerbate forest management problems within any resulting residual TSA;

FIGURE 1 - FLOW CHART FOR THE TFL CONVERSION PROCESS

Licensees Submit Letter of Intent
Signalling Their Interest

Forest Service Sets Priorities and Schedules by TSA

Licensees submit Applications/Proposals
(in accordance with schedule)

Forest Service and Other Agencies Review
Application(s) and Proposal(s) in a TSA

Public Hearing

Final Evaluation

Lieutenant Governor in Council's
Approval-In-Principle

Successful Applicant(s) Prepares Initial TFL Management
and Working Plan

Minister and Licensee(s) Enter into TFL Agreement

(iv) must include a productive forest land base that reflects an AAC and long-term harvest supply profile that are in reasonable harmony with the TSA from which they originated.

(v) must support the intended AAC for the TFL and the annual harvest level intended under the Small Business Forest Enterprise Program (SBFEP) and the Woodlot Licence Program (WLP).

With respect to timber supply, a proposed area should be large enough to support 100 percent of the current AAC of the licence(s) to be surrendered plus the intended harvest under the SBFEP, which should reflect the proportion of the SBFEP in the TSA. The need for subsequent reductions in area due to reductions in AAC, if necessary, will be made following the public hearing.

TFL proposal areas should not include extensive areas where non-timber resources are the predominant values. More localized areas which have a high integrated resource management sensitivity might, however, be included in TFL areas, particularly where the deletion of such areas would undermine the geographical integrity of a proposed TFL as a management unit.

IDENTIFYING THE PRELIMINARY ALLOWABLE ANNUAL CUT

When replacing one or more volume-based licences with a TFL, the base AAC of the TFL will be set at ninety percent (90%) of the apportioned AAC of the licences being surrendered. The basic ten percent (10%) reduction in AAC can, however, be recovered in total or in part by the applicant if he is prepared to make commitments in his proposal to further (secondary or tertiary) processing, and/or to timber utilization, and/or if he can show that AAC recovery is essential to industry growth and development.

(i) Further Processing

The total ten percent (10%) reduction in AAC or some portion of it can be recovered by those applicants who agree to further process a percentage of the basic sawn products that they produce. The measure will be one percent (1%) AAC recovery (up to a maximum of 10%), for every one percent (1%) of the total volume of sawn products produced from timber harvested under the proposed TFL agreement that is further processed. The further processing can occur in the applicant's facilities, or through an agreement with a mill that has the appropriate facilities.

Example:

(a) Total basic sawn products produced = 50 000 000 fbm

(b) Total basic sawn products further Processed for value-added products = 3 000 000 fbm

(c) $\frac{b}{a} \times 100$ = 6%

(g) % recovery = 6%

For purposes of this policy, further processed forest products are defined as products not presently manufactured by a "normal" British Columbia wood processing facility. A more detailed definition of further processing is provided in Attachment 3.

Up to a total of 10 percent may also be recovered in the case of major industrial initiatives that are consistent with government objectives. On approval of a TFL, conditions reflecting the commitments made by the applicant regarding further processing or other initiatives will be included in the licence agreement.

(ii) Improved Utilization of Timber

Up to one-half of the ten percent (10%) AAC reduction can be recovered by those applicants who agree to immediately and continuously utilize forest types classified as opportunity wood by the Forest Service. The measure is one percent (1%) recovery for every one percent (1%) of the applicant's annual harvest that is to be taken from these timber types on Crown land up to a maximum of five percent (5%).

(iii) Industry Growth and Development

Up to one-half of the ten percent (10%) AAC reduction can be recovered by those applicants who can show to the Regional Manager's satisfaction that their timber supply from replaceable forest tenures is significantly less than their existing mill requirements based on 440 shifts per year. The measure is as shown below.

% Supply Deficit	up to 30%	31-40	41-50	51-60	61-70	71+
% recovery	0	1	2	3	4	5

Whereas (i) above may fully offset the basic ten percent reduction, (ii) and (iii) combined may only offset a maximum of one-half of the basic reduction.

The amount of the applicant's AAC determined eligible for replacement under (i)-(iii) above will only be replaced in full where such action would not affect the viability of the residual TSA as a reasonable forest management unit.

That portion of the 10 percent AAC that is not recovered by a TFL applicant, in accordance with (i), (ii) or (iii) above, and/or that portion that is recovered through (ii) above, will be targeted for the Small Business Forest Enterprise Program.

Where only part of the applicant's AAC is replaced by a TFL, the balance of that AAC will be offered to the licensee under either a FL or a TSL (Major). In this regard items (i)-(iii) above will only apply to the AAC considered for replacement.

Example:

> Original AAC of Applicant = 200 000 m^3
> 150 000 of that 200 000 m^3 will be considered for a TFL. Base volume for TFL after 10% reduction is 135 000 m^3 with the option of a 15 000 AAC recovery. 50 000 m^3 would be available for disposition under a volume based tenure.

If the total AAC of a replacement TFL(s) plus the AAC of the residual TSA is less than the current AAC for the TSA, the shortfall must be reflected solely in the AAC determined for the TFL(s).

The preliminary AAC, which will range from 90% to 100% of the AAC of the surrendered volume-based licences, will be finalized after the applicant prepares a Management and Working Plan and it receives approval.

DISPOSAL OF TIMBER TO THIRD PARTIES

The TFL will have to provide for a SBFEP volume that reflects the proportion of the SBFEP in the TSA, plus the volume generated as a result of the 10 percent (or portion thereof) reduction in AAC as a result of TFL conversion. In his application, the applicant can state his preference as to whether the SBFEP would be conducted as part of the TFL operations or whether an appropriate land area would be permanently excluded from the TFL to facilitate the harvest of this volume. The final decision on this will be made after the public hearing. If the SBFEP is conducted within the TFL, there will be an overall AAC determined for the TFL, part of which will be dedicated to the SBFEP.

This volume will remain fixed, and will be made available annually for small business. This will be provided for through provisions in the Management and Working Plan and Five Year Development Plans for the TFL. Timber within a TFL dedicated to the SBFEP must be representative of the timber in the TFL as a whole in terms of net value and age class distribution.

If a Woodlot Licence located within a TFL is awarded, it shall be removed from the TFL.

Where harvesting authority is granted to persons other than the TFL holder, the responsibility for post-logging treatments and reforestation shall rest with the licensor.

The licensor may enter into one or more TSL agreements under the FOREST ACT, Section 18(1)(b) to persons other than the holder of the TFL to satisfy the contractual obligations of a Pulpwood Harvesting Area Agreement or Pulpwood Agreement.

ATTACHMENT 1

THE PROCESS FOR TFL CONVERSION

STEP 1 - Licensees Submit a Letter of Intent

This step will provide an initial signal from interested licensees regarding their desire to convert all or part of their volume-based tenures to a TFL. The primary purpose is to provide enough information to allow the Forest Service to set processing priorities and schedules on a TSA by TSA basis. The letter of intent should include

- a map of the proposed TFL.
- the proposed TFL AAC and percent of volume based tenure(s) to be replaced by the TFL.
- an initial estimate of the area, mature inventory, and long-term productivity of the TFL area based on the net land base defined in the most recent TSA Plan, and using Forest Service volume and yield (m.a.i.) estimates.
- an indication as to the intent of the licensee with respect to SBFEP disposition within the TFL.
- areas, if any, where this TFL proposal conflicts with other TFL proposals.

All letters of intent should be submitted to the appropriate Regional Manager (Forest Service) by December 31, 1988. Licensees who, prior to August 1, 1988, requested that their licence(s) be replaced by TFL are asked to confirm their request.

STEP 2 - Setting Priorities and Schedules

It is intended that all TFL applications in each TSA will be processed simultaneously. In terms of staff capability, the Forest Service has estimated that 6 TSAs can be handled per year. Consistent with this capability, priorities and schedules for the TFL conversion process will be developed on a TSA by TSA basis.

Criteria for setting priorities include:

- the lack of conflict on an inter-licensee and inter-resource basis;
- the conformity of the prospective licence with Ministry program objectives;
- the indicated benefits to the Region and the Province;
- the current TSA inventory status.

As indicated in the criteria, those TSAs in which proposed TFLs have no major conflict in terms of timber supply or land or resource use will normally be given priority because they can be processed without delay. Therefore, those licensees in a TSA wishing to convert their volume-based tenures to a TFL should give consideration to conflict resolution, where necessary, prior to submission of their letters of intent.

STEP 3 - Submission of Applications/Proposals

Those licensees whose letter of intent meet the basic requirements will be requested to submit a formal TFL application at least six months prior to the date the affected TSA is scheduled for assessment. This application will be much more comprehensive than the letter of intent, and will detail the licensee's management proposals on a number of fronts (Attachment 2 outlines suggested contents).

The proposed area of a replacement TFL will be in one TSA. It must be composed of one or more distinct management units and may be added to an existing TFL held by the applicant. Licensees may at some future date apply to amalgamate new TFLs in adjoining TSAs.

STEP 4 - Initial Review of Application/Proposal by the Forest Service and Other Affected Agencies

The initial review of applications within a TSA will consist of the following:

- a Forest Service timber supply impact assessment which will use the status quo management scenario[1] as a benchmark to assess the proposed TFL(s), as well as the impact on the resulting residual TSA;
- a Forest Service range and recreation impact assessment;
- the assessment of other non-timber resource impacts by the appropriate agencies.

The Forest Service will coordinate and consolidate the above assessments for submission to the Minister.

An application may be accepted subject to modification or rejected on the basis of the initial review. Reasons for rejection or modification might include, but will not necessarily be limited to:

- overlapping applications
- an unacceptable impact on the residual TSA
- an unacceptable impact on other resource or land use values
- a resulting TFL that is not economically viable
- the unacceptable use of the forest profile
- unacceptable management or utilization practices
- an unacceptable impact on community stability and/or employment.

Prospective applicants are encouraged to resolve area conflicts between adjoining TFL proposal areas as early as possible in the process. As indicated under Step 2 in the process, the lack of significant inter-licensee conflict will be a major criterion for assigning a high priority to a TSA for the processing of TFL applications.

[1] Current levels of management effort and expenditures

STEP 5 - Public Hearing

Applications and proposals that are deemed acceptable in Step 4 can then proceed to public hearing. A public hearing is required under the Forest Act before a TFL can be issued. The purpose of the hearing is to provide an opportunity for public input as part of the review and evaluation process. The hearing will provide an opportunity for a full public review of any concerns remaining of other resource users and the public.

The Minister or his designate will chair the public hearing, which will be held in convenient locations within the TSA in which the proposed TFL(s) are located. Each hearing will deal simultaneously with all TFL proposals in that TSA. The licensee will take the lead role in describing the application and answering any questions and concerns.

STEP 6 - Final Evaluation

In this step, the results of the initial review and the public hearing will be examined and synthesized to provide a final evaluation. Based on the final evaluation, the Minister may again (i) approve; (ii) approve subject to modification; or (iii) reject an application.

The basic criteria used to conduct the final evaluation are outlined in Attachment 4.

STEP 7 - Lieutenant Governor in Council Approval-in-Principle

Where the final evaluation leads to a recommendation to proceed with one or more TFL applications in a TSA, the Minister will submit that recommendation to the Lieutenant Governor in Council for approval-in-principle. Once Lieutenant Governor in Council approval is obtained, the Minister will revise the TSA apportionment to reflect the change in tenure. It is at this time that the preliminary AAC of the TFL will be confirmed.

STEP 8 - Applicant Prepares Initial TFL Management and Working Plan

Under the Forest Act, actual issuance of a TFL must be preceded by the preparation and approval of a Management and Working Plan. This plan must include all the commitments outlined in the applicant's proposal as well as any other requirements arising from the Government agency review, public hearing, the final evaluation, or the Lieutenant Governor in Council's approval-in-principle. This will include commitments in the area of integrated resource management.

The Management and Working Plan must be made available for public review and referred to other affected resource agencies before it is submitted to British Columbia's Chief Forester for approval. The comments received by the applicant as a result of the public review and the referral to other agencies must accompany the Management and Working Plan when it is submitted to the Chief Forester.

The Resource Management Plan for the residual TSA will be prepared and approved at the same time as the initial TFL Management and Working Plan(s).

STEP 9 - The Minister and Licensee enter into a TFL Agreement

This final step involves the signing of the TFL document. The licence document may also incorporate certain important management commitments identified in the earlier steps of this process as conditions of approval.

The overall time frame for the completion of this program will be determined by the number of applications received and the number of TSAs involved. Assuming most or all TSAs in the province are affected, the entire program could be completed in approximately five years.

ATTACHMENT 2

AN OUTLINE FOR A TREE FARM LICENCE APPLICATION/ PROPOSAL UNDER SECTION 27.1 OF THE FOREST ACT

1.0 INTRODUCTION

2.0 SUMMARY

3.0 THE APPLICANT

- History
- Current holdings (Crown & private) and operations
- Current processing facilities, products and markets
- Current timber supply in relation to mill requirements
- Key personnel

4.0 THE PROPOSAL

4.1 Licences to be surrendered
4.2 The proposed TFL area
  - boundaries
  - Area/volume summary
  - comparison of proposed forest profile with that of TSA
  - discussion of non-timber resources
  - proposed AAC and harvest schedule
  - summary of important resource management issues

4.3 Management Objectives
  4.31 Timber
    - inventory
    - access
    - harvesting (including utilization)
    - silviculture (basic and incremental)
    - protection
    - contracting
    - other
  4.32 Other Resources

4.4 Processing
  - facilities (location, description, capacities, etc.)
  - methods

4.5 Marketing
  - products to be manufactured
  - markets

4.6 Summary of Social and Economic Benefits

ATTACHMENT 3

DEFINITION OF VALUE ADDED PRODUCTS

Sawmills

For the purpose of this definition, the output of a "normal" B.C. sawmill is considered to include the following products or classes of products:

1. timbers - sawn products that measure at least 5" in its least dimension; also referred to as cants, beams, stringers, girders, etc.
2. dimension lumber - lumber that is from 2" up to, but not including 5" thick, and that is 2" or more in width, also classified as framing, joists, planks, rafters, etc.
3. boards - sawn products that is less than 2" in nominal thickness and 1" or more in width. Boardmills (mills that have 65% or more of their annual output in boards) will not be considered "normal" sawmills.

While the above three categories of lumber are defined in terms of sizes, it should also be noted that they can be segregated in terms of quality characteristics, such as clear and joinery grades. Regardless of grade, they are still regarded as normal sawmill products. An increase in sorting alone to extract more valuable grades is not sufficient to be considered further manufactured products.

Further manufacturing will generally incorporate some gluing (edge gluing, finger-jointing, etc.), profiling (moulding, patterned siding, etc.), or further fabrication (furniture, windows, doors and frames, etc.).

Plywood/Veneer Mills

For the purpose of this definition, softwood veneer and plywood are not considered to be further manufactured products.

The softwood plywood category includes:

1. Douglas fir plywood - plywood in which at least one of the exterior faces is manufactured from Douglas fir.
2. Canadian softwood plywood (CSP) - plywood manufactured from coniferous species other than Douglas fir.

The two species categories can be further segregated by quality, i.e. sheathing, sanded, specialty, etc. Sanded and specialty grades do not qualify as further manufactured products.

Pulp and Paper Mills

With two exceptions, none of the commodity products (bleached kraft pulp, newsprint, liner board, etc.) presently produced by B.C. pulp and paper mills are considered to be higher value-added products. The two exceptions are tissue papers and fine papers.

Shake and Shingle Mills

Shakes and shingles are not considered to be further manufactured products.

ATTACHMENT 4

EVALUATION CRITERIA

The following criteria will be used to evaluate proposals for converting volume based tenures to Tree Farm Licences:

(a) creating or maintaining employment opportunities and other social benefits in the Province,

(b) providing for the management and utilization of Crown timber,

(c) furthering the development objectives of the Crown,

(d) meeting the objectives of the Crown in respect of environmental quality and the management of water, fisheries and wildlife resources, and

(e) contributing to Crown revenues.

Appendix 2

BACKGROUND INFORMATION TO THE GOVERNMENT'S POLICY TO REPLACE FOREST LICENCES WITH TREE FARM LICENCES

This paper provides technical background information on the Tree Farm Licence and on the overall B.C. forest tenure system. It is intended to meet the needs of those who wish to obtain detailed information on these tenures. More general information is available through the paper entitled 'Tree Farm Licences in British Columbia: Questions and Answers'.

BACKGROUND INFORMATION TO THE GOVERNMENT'S POLICY TO REPLACE FOREST LICENCES WITH TREE FARM LICENCES

1.0 Introduction

In the fall of 1987, the Minister of Forests announced a number of major forest policy initiatives. One of these was the intent to provide opportunities to the holders of Forest Licences (FL) and Timber Sale Licences (Major) to convert those licences into Tree Farm Licences (TFL).

The replacement policy was not new. Enabling legislation was put in place in 1982 and four applications were at various stages of the process at the time of the 1987 policy announcement.

The new initiatives were the setting of a target for the policy, and changing it so that it would also contribute to other government objectives, the most important being increased secondary manufacturing in the province. Specifically, the policy intent was to increase the number of TFLs so that their aggregate share of the provincial allowable annual cut (AAC) will increase from the current 26% to about 67%. The other major initiative was the provision that up to 10% of the AAC of a licence that is replaced by a TFL will return to the Crown, unless the licensee agrees to do secondary manufacturing, or provide raw material for secondary manufacturers, or in addition, harvest timber that would not otherwise be utilized.

Because of the apparent public interest in the issues inherent in the replacement policy, the Minister of Forests decided to hold a number of public information meetings. The objectives of these meetings are to provide information that is relevant to the replacement policy, and the replacement procedures; to seek comments and suggestions from the public about the policy and the procedures; and then decide whether the program should proceed.

This paper provides an overview of the forest tenure system, a detailed description of TFLs, a comparative description of FLs, a list of the major differences between TFLs and FLs, the advantages and disadvantages of replacements to FL holders, and to the public, and some closing comments. A July 21, 1988 paper, "Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences" includes a detailed description of the proposed procedures. Copies of that paper are available with this one.

2.0 Forest Tenures

This chapter is offered as an overview of the forest resource and its use, to provide a perspective for the role of TFLs and FLs in the forest tenure system.

Some 94% of the forest land of British Columbia is publicly owned. This level of public ownership is unique amongst the western nations, and is the principle reason for the evolution of the long term harvesting and forest management agreements or tenures in B.C.

The principal user of the public timber is the privately owned forest industry. The rights to harvest public timber has been conveyed to the private user through tenure arrangements, an ever evolving, complex array of contractual arrangements, legislation and regulations.

Except for private forest lands outside TFLs and Woodlot Licences, and lands held under Timber Licences outside TFLs, all forest lands that are reserved for the continuous growth of forests are under management. (Timber Licences replaced five different types of licences that were often referred to as "old temporary tenures". Most of these original licences were entered into before 1907. The holders have the right to a onetime harvest)

There are 66 major forest management units in the province, 31 Tree Farm Licences and 35 Timber Supply Areas. Woodlot Licences are also forest management units, but in the interest of simplicity, they are included in the TSAs in this paper. Combined, these management units support an allowable annual cut of about 72 000 000 m^3.

Each TFL is managed by the licence holder in accordance with a Management and Working Plan (MWP) approved by the Forest Service. Combined, TFLs account for about 26% of the provincial AAC, however, the regional distribution is very different. TFLs account for some 60% of the total coastal AAC, and only for 8% of the interior AAC. TFLs have a term of 25 years and are replaceable every 10 years for subsequent 25 year terms unless the licence provides that replacement shall not be offered.

Each Timber Supply Area (TSA) is managed by the Forest Service, in accordance with a TSA report, which the Forest Service prepares and the Chief Forester approves. Most TSAs have a number and variety of licences, namely Forest Licences, Timber Sale Licences (Major), Timber Sale Licences (Minor) and Woodlot Licences. In addition, one tenure, the Pulpwood Agreement may cover all or part of one or more TSA.

Forest Licences provide the holder the right to harvest a stated volume of timber per year, in unspecified parts of the TSA. Forest Licences are managed by the licence holder in accordance with a MWP, which must be in harmony with the TSA plan, and be approved by the Forest Service. Unlike TFLs, FLs are not area specific, and are often referred to as volume based tenures. Combined FLs account for about 58% of the provincial AAC.

Forest Licences have a term of 15 years, and are replaceable at every five years for subsequent 15 year terms unless the licence provides that replacement shall not be offered. (A new FL may have a term of up to 20 years, but any replacement is for a term of 15 years).

Timber Sale Licences (Major) (TSL) provide the holder the right to harvest a stated volume of timber per year, in unspecified parts of the TSA. TSLs that have an AAC in excess of 10 000 m^3, are managed by the licence holder in accordance with a MWP, approved by the Forest Service. TSLs that have an AAC of up to 10 000 m^3 are managed by the Forest Service, similar to TSL (Minor), described below. Like FLs, TSLs are also volume based tenures. Combined, TSLs account for about 1% of the provincial AAC. They have a term of up to 10 years, and are replaceable at expiry for subsequent 10 year periods, unless the licence provides that replacement shall not be offered.

Timber Sale Licences (Minor) provide the holder the right to harvest timber from a specific area. The term of these licences are up to 10 years, but most of them have had much shorter terms, mostly 1-2 years. These licences are sold through competition, they are not replaceable, and the licence holders have neither major road development nor any forest management responsibilities. These responsibilities are carried out by the Forest Service. These sales are offered through the Small Business Forest Enterprise Program (SBFEP). Combined they account for about 12% of the provincial AAC.

Woodlot Licences are very similar to TFLs, but the Crown land portion may not exceed 400 ha. Like TFLs, they are managed by the licence holder in accordance with a MWP approved by the Forest Service. Combined, they account for about 1% of the provincial AAC. They have a term of 15 years, and are replaceable every five years for subsequent 15 years unless the licence provides that replacement shall not be offered.

Pulpwood Agreements are a unique form of tenure. They were introduced in the mid-sixties in support of new pulp mills in the interior. There are nine PAs in place, eight of which are in support of pulp mills, one in support of a waferboard plant. PAs oblige the holder to purchase their raw material from all available sources within the PA, (typically by-product wood chips from sawmills by pulp companies, and Aspen logs for the waferboard plant) and the right to harvest timber, if they cannot purchase the full volume stated in their PA. Five of these PAs have used exclusively coniferous by-product chips. The other four have rights to deciduous species only, mostly or exclusively to Aspen. For these licences, a deciduous AAC is reserved. Combined, they account for about 2% of the provincial AAC. PAs have a term of 25 years, replaceable every 10 years for subsequent 25 years, unless the licence provides that replacement shall not be offered.

As evidenced by the foregoing, TFLs and FLs are the dominant tenures in B.C., representing 84% of the provincial AAC. While legislation allows the replacement of FLs and TSLs (Major) with TFLs, this paper will limit discussions to TFLs and FLs.

It is perhaps important to state at this point that whatever the tenure arrangements may be, the ultimate responsibility for planning the use of the forest resources, so that the production of timber, the harvesting of timber, and the realization of fisheries, wildlife, water, outdoor recreation and other natural resource values are coordinated and integrated are the legislated responsibility of the Forest Service, under the direction of the Minister of Forests. No plans may be implemented, no timber harvesting or any other action may be undertaken under any forest tenure without the explicit approval of the Forest Service.

3.0 Tree Farm Licences

3.1 General Comments

The form of tenure now called the Tree Farm Licence was recommended by the Sloan Royal Commission in 1945. Sloan recognized and became deeply concerned about the virtual absence of forest management in B.C. He envisioned that offering long term forest management licences would provide incentives to industry to practice sustained yield management and to invest heavily in manufacturing plants. Much of the forest industrial activity was concentrated on the coast at that time, and much of the best timber was either under Timber Licences that carried no management responsibilities, or privately owned.

Sloan suggested that sufficient Crown timber be offered to companies in support of existing or proposed manufacturing plant(s). In addition to firm commitments to maintain existing manufacturing facilities and/or to creating additional facilities, companies that had Timber Licences and private forest lands were required to combine them with the typically very large tracts of public forest lands, and commit themselves to manage the total area on a sustained yield basis. The first TFL was awarded in 1948, the last one in 1985. (Excluding TFLs that replaced FLs).

On balance, TFLs have achieved their objectives, as witnessed by Royal Commissioner Pearce's observation:

> "The Tree-Farm Licence system must be judged successful as a means for providing large enterprises with the assurance of wood supplies required to secure heavy investment in manufacturing plants. Several large pulp mills and sawmills have been constructed explicitly in response to the granting of licences, and in almost all cases they provide the raw material base for active manufacturing facilities maintained by licensees.
>
> From the point of view of management, also, Tree Farm Licences have met, if not exceeded expectations. They have been an effective instrument for bringing under management many otherwise unregulated Crown granted lands, and old temporary tenures, as well as extensive tracts of Crown forest.

> The proprietary interest that licensees have developed in these lands, the incentives the system has provided, and the priority given them by the Forest Service have produced the highest standard of forest management in the province--a standard that in many cases is higher by international comparisons as well...."[1]

3.2 The TFL document

Tree Farm Licences provide timber harvesting rights for and impose forest development and management obligations on the holders over designated areas.

Tree Farm Licences have a term of 25 years, and are replaceable every 10 years for subsequent 25 year terms, unless the licence provides that replacement shall not be offered. The offer of replacement may contain revised conditions. This feature enables the government to impose new management conditions and responsibilities that reflect society's changing expectations and demands. Under this "evergreen" management the licensee may accept the revised conditions and obtain a new 25 year replacement licence for the same area, or may refuse the new terms and retain the licence for the remaining 15 years, with no further replacement right. A TFL document contains the umbrella conditions that relate to TFLs generally, such as:

- the specific term of the licence,
- description of the TFL area, including the unencumbered Crown land, Timber Licence lands and private lands,
- the obligation to pay stumpage for timber cut from unencumbered Crown land and royalty for timber cut from Timber Licence(s),
- the requirement to submit Management and Working Plans,
- a provision for the issuance of cutting permits by the Forest Service,
- a requirement that each year, not less than 50% of the timber harvested from unencumbered Crown land be harvested by contract loggers,
- the right of the Forest Service to issue free use permits to others than the licensee,
- requires that the TFL be managed by a registered professional forester, etc...

As is evident from the foregoing, a TFL does not transfer ownership of any land to the licensee.

[1] page 85, 86, 87, Timber Rights and Forest Policy In British Columbia, Vol. 1, Report of the Royal Commission on forest resources, Peter H. Pearce, Commissioner, Victoria, 1976.

3.3 Management and Working Plan (MWP)

The licensee must submit for approval by the Chief Forester of the Forest Service, once every 5 years, or more often if required by the Chief Forester, a MWP prepared by a registered professional forester.

The MWP outlines the management objectives, goals, strategies and standards for its duration. It is the MWP through which the TFL holder makes firm and binding commitments to sound forest management practices, which means an integrated resource plan, and standards and practices that fully recognize all resource values.

Specifically, a MWP must include:
- an inventory of the forest and recreation resources, and, where available, of the fisheries and wildlife resources,
- a proposed allowable annual cut,
- proposals for developing environmentally sound timber harvesting operations,
- proposals for forest protection measures,
- silviculture objectives and standards,
- and other relevant information that the Chief Forester may require.

A MWP may not be submitted to the Chief Forester before it is referred to the other resource agencies for comments, and before it is made available to the public for comments, and before those comments have been reasonably considered.

3.4 Five Year Development Plan (FYDP)

The licensee is required to submit annually, an updated FYDP that details the licensee's specific road construction and logging plans for the 5 year period. The licensee must refer this plan to other resource agencies for comments and make it available to the public for comments, and reasonably consider the comments, before he submits it to the District Manager for approval.

3.5 Preharvest Silviculture Prescription

The licensee is required to submit to the District Manager for approval a preharvest silviculture prescription (PHSP) for any area from which timber is to be harvested. The PHSP prescribes the measures for the carrying out of basic silviculture. It has to be signed by a professional forester. A PHSP is subject to review and comments by other resource agencies and the public.

3.6 Cutting Permit

Once the licensee has his MWP and FYDP approved, he may apply to the District Manager for Cutting Permits (CP). He has to either have his PHSP approved before he submits his CP application, or submit it with the application. His CP applications must be in harmony with his approved plans. It is the CP that authorizes logging operations on specific parts of the TFL, including Timber Licences and private lands within the TFL. The Cutting Permit application must include cruising information. A CP specifies the term of operations, and stipulates the various conditions that have to be adhered to in the logging operations. It describes the timber to be harvested, the timber to be reserved from cutting and the minimum standard of utilization. It provides for the issuance of timber marks (that identifies the origin of the timber for the purpose of levying the relevant stumpage or royalty for logs removed from the area) for stumpage appraisals and reappraisals, and any other specific clauses that the District Manager deems necessary.

3.7 Basic Silviculture Responsibility

The holder of a TFL is responsible for basic silviculture, which is the responsibility for undertaking all necessary measures, in a timely fashion, to ensure that any area logged will have a new forest of desirable species growing without undue competition from weeds, shrubs, and undesirable species of trees. The licensee has to pay for basic silviculture, but the cost is part of the costs used in the calculation of the stumpage rates.

3.8 Cut Control requirements

The licensee is obliged to cut annually, within 50% and 150% of the AAC of the licence, and within 90% and 110% within a five year "cut control period". Volumes not cut within the minimum levels will lead to a permanent reduction in the AAC of the TFL by a volume not greater than the volume of deficiency, unless an exemption is made, if and where permitted by the regulations. Any volume not cut within the required minimum limits, and not deducted from the AAC, may be sold through the SBFEP on a one time sale basis. No undercut may be carried into the next five year cut control period unless permitted by the regulations.

Any cut above the limits is subject to penalty billing, in addition to the original billing, at twice the average applicable stumpage rates. Any cut in excess of 100% of the five year volume is carried into the next five year cut control period as a reduction from the volume that may otherwise be cut in that period.

3.9 Sale of timber to others

a) The Crown may sell timber through the SBFEP and/or Woodlot Licence Program from the TFL area, where provisions have been made for it. Legislation passed in 1988 provided for a 5% takeback from the AAC of TFLs. This volume may be sold from within the TFL, through the SBFEP, or the TFL may be reduced by an appropriate area to accommodate the harvest of this volume.

b) Where the MWP identifies lands within the TFL that is not required to meet the AAC of the TFL, such lands may be excluded from the TFL, or the timber on such lands may be offered for sale through competitive, nonreplaceable timber sale licences.

c) If the holder of a TFL refuses or fails to remove windthrown, dead, damaged or diseased timber or special forest products within the time specified by a Regional or District Manager, "special timber sale licences" may be offered to third parties for the removal of such timber.

3.9A Reduction of AAC

Where the approved MWP specifies that part of the AAC is to be cut from a specified part of the TFL area, from a specified type of timber or from a specified type of terrain, and the licensee fails to comply with such provisions, the Chief Forester may reduce the AAC of the licence by the volume that was not so harvested. No compensation is payable for such AAC reduction.

3.9B Area deletions

The Minister may delete Crown land from a TFL for purposes of:

a) access to Crown timber, highway, pipeline or power transmission line rights of way or of water storage, or
b) any other purposes except timber production.

If such deletions under a) or under b) lead to a reduction in the AAC of the TFL by less than 5%, during a deletion period (a specified 25 year) no compensation is payable. Note that it is possible to have a total reduction of up to 10% in the AAC without compensation. If the land deletions under a) or under b) lead to a reduction in the AAC by more than 5%, compensation is payable for the reduction above 5% under a) and/or under b), for the balance of the deletion period.

4.0 Forest Licence

4.1 General Comments

Forest Licences were introduced by the 1979 Forest Act, which in turn was inspired by the recommendations of the Pearce Royal Commission (1976). The legislation (1979) required replacement of all Timber Sale Harvesting Licences and some Timber Sale Licences with FLs. As will be seen below, FLs have many similarities with TFLs.

4.2 The FL Document

FL documents differ from TFL documents in the following aspects:

- FLs have a term of 15 years, replaceable every 5 years for subsequent 15 years. (A new FL may have a term of up to 20 years, but if replaceable, any replacement is for 15 years. Most, but not all FLs are replaceable.)
- It is volume specific (not area specific)
- The FL document states the AAC (not the MWP)
- The FL document does not require that the licence be managed by a registered professional forester
- The FL document does not include any logging contract requirement

4.3 Management and Working Plan

The MWP of a FL differs from the MWP of a TFL in the following aspects:

- It is an operational plan, and it has to be in harmony with the TSA plan, which is prepared by the Forest Service, and is approved by the Chief Forester. (The TSA plan is similar to the MWP of a TFL)
- It is not subject to public review (The TSA plan is)
- It does not require the licence holder to provide inventory information.
- It does not require the licence holder to suggest an AAC.

4.4 Five year development plan

Same as for the TFL.

4.5 Preharvest Silviculture prescription

Same as for the TFL.

4.6 Cutting Permit

Same as for the TFL.

4.7 Basic Silviculture Responsibility

Same as for the TFL.

4.8 Cut control requirements

Same as for the TFL (since FLs are volume based, the area deletion part cannot apply).

4.9 Sale of timber to others

a) Similar to the TFL, inasmuch as the 5% AAC takeback has also been applied to FLs. Since FLs are not area specific, the sale "within the licence area" or the "area deletion" cannot apply.

b) Similar to the TFL provision, but such lands are identified in the TSA report.

c) Similar to the TFL.

4.9A Reduction of AAC

Same as for the TFL.

4.9B Area deletions

Same as for the TFLs, except that areas are deleted from the TSA, AAC reductions are applied, proportionately to all licences, and if the reductions exceed 5% for either or both categories described under 3.9B of this paper, compensation is payable to the licensees for the duration of the deletion period, which, for FLs is a specified 15 years.

5.0 The major differences between TFLs and FLs

a. TFLs are area based
FLs are volume based

b. TFLs have a term of 25 years, and unless the licence provides that no replacement shall be offered, they are replaceable every 10 years (all existing TFLs are replaceable).
FLs have a term of 15 years and unless the licence provides that no replacement shall be offered, they are replaceable every 5 years (most FLs are replaceable).

c. TFL holders are responsible for inventory. (The cost of inventory work that is required for the provincial inventory is paid for directly by the government). FL holders are not responsible for inventory

d. The AAC for TFL is established through the MWP. The AAC for FL is stated in the licence.

e. The MWP of a TFL is a strategic plan for the sustained yield management of the licence area. (Similar to the TSA plan).

   The MWP of a FL is our operational plan, containing basic management commitments.

f. TFL holders may, through a change in the MWP, and subject to the approval of the Chief Forester, change the limits of harvestable timber, which may lead to increases or decreases in their AAC.

   Forest Licence holders may initiate such change through a change in the TSA plan, and if that leads to a decrease in the AAC, the AAC of all licences within the TSA would be decreased proportionately. Should such change lead to any increase in the AAC of the TSA, whether initiated by a licensee or the Forest Service, the AAC of any FL may not be increased. (Such additional volumes would have to be disposed of in accordance with the provisions of the Forest Act).

g. The deletion period for TFLs is 25 years. The deletion period for FLs is 15 years.

h. The TFL requires that minimum 50% of the timber cut from Crown land annually be harvested by logging contractors.

   The FL does not have such requirement.

6.0 The advantages and disadvantages of replacement to the FL holder

6.1 Advantages

- The possibility of extending the limits of "harvestable timber", and by doing so, increasing the AAC of the TFL. (Subject to the Chief Forester's approval. Any timber stands assumed not harvestable do not contribute to the AAC of a TFL or TSA. If the holder of a TFL commits himself, through the MWP, to harvest such stands in the immediate future, they will be considered productive forest lands, and will lead to an increase in the AAC)

- The virtual certainty that the benefits of good forest management practices flow to the holder of the licence (because it is area based) provide opportunities and incentives to practice good forest management, which may increase the productivity of the forest land, and increase the AAC of the TFL.

- The area base and the longer term of TFLs provide a greater sense of security in timber supply.

- Where more than one FL (and or TSL (Major)) is replaced, or where the replacement TFL is combined with an existing one, it provides increased flexibilities and reduced administrative, and possibly operating costs.

6.2 Disadvantages

- The potential loss of up to 10% of the AAC (See details in the "Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences", copies of which are available with copies of this paper).

- The risk of losing substantial parts of the timber within a TFL to natural disasters, such as insects or fire. If that happens, the full impact of the consequential reduction in AAC has to be born by the licence holder. The smaller the TFL, the larger the risk, everything else being equal. (There has been no precedent to date for major natural disasters that leads to substantial decreases in the AAC of any TFL).
- The annual rental charges are $.45/m^3$ of the AAC for TFLs, and $.25 for FLs.

7.0 The advantages and disadvantages of replacement to the public

7.1 Advantages

- Increased employment opportunities through secondary manufacturing, either by holders of replacement TFLs, or by others who would have increased opportunities to have long term supply arrangements with them. (See details in the "Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences", copies of which are available with copies of this paper).

- Somewhat higher level of investment in manufacturing plants, because of the increased security of log supply, and the potential for increasing the AAC. Higher investment levels increase the competitiveness of firms on the world markets.

7.2 Disadvantages

- By their very nature (area specific, lengths of tenure, the traditional proprietary interest that licensees have developed). TFLs decrease the flexibility for the government to adopt to changing circumstances.

- The possibility of disruptions in the production level of particular plants if a major natural disaster leads to a substantial decrease in AAC. While the impact of such happening would be the same from society's overall point of view whether such events happen within a TFL or within a TSA, such event could have a much greater impact on a particular plant, and by extension, on a particular community, if it happens on a TFL (The impact would be spread amongst all licences in a TSA).

8.0 The replacement procedures

The procedures are included in the "Proposed Policy and Procedures for the Replacement of Major Volume Based Tenures with Tree Farm Licences" which was drafted in July of 1988 and distributed to Forest Licence holders and to a number of Ministries for comments. Copies of that paper are available with this one.

9.0 Closing comments

The foregoing was written with the sole intent of providing the reader with all the relevant information, so that he or she may reach his or her opinions, views and conclusions about the policy issues and the procedures of replacing Forest Licences with Tree Farm Licences.

Should you need further information, you may call your nearest Forest District or Forest Region office, or Timber Harvesting Branch in Victoria (387-5291), or you may write to Timber Harvesting Branch, 1450 Government Street, Victoria, B.C., V8W 3E7.

Attachment

TIMBER HARVESTING

Tree Farm Licences in British Columbia

Province of
British Columbia
Ministry
of Forests

Questions and answers

> *"The Tree-farm Licence system must be judged successful as a means for providing large enterprises with the assurance of wood supplies required to secure heavy investment in manufacturing plants...From the point of view of resource management, also, Tree-farm Licences have met, if not exceeded expectations...The proprietary interest that licensees have developed in these lands, the incentives the system has provided, and the priority given them by the Forest Service have produced the highest standard of forest management in the province -- a standard that in many cases is higher by international comparisons as well..."*
>
> –Report of the Royal Commission on Forest Resources, Peter H. Pearce, Commissioner, 1976.

Introduction

Some 94 per cent of the forest land in British Columbia is owned by the province and is termed 'Crown land.'

By law the B.C. Forest Service (BCFS) is responsible for managing the timber, range and forest recreation resources on this land.

The BCFS issues licences to companies to harvest timber.

Each type of licence carries with it certain rights and management obligations.

In return the forest industry must pay for the timber harvested and for reforestation.

In 1982, legislation was enacted to provide for the conversion of *forest licences* to *tree farm licences*.

In 1987, the government proposed, under its new policy initiatives, opening the door for more *tree farm licences* in the province by converting existing *forest licences*.

About 120 letters-of-intent from forest licencees have been received to date.

Because of public interest in the proposed conversion policy, the Minister of Forests decided to hold public information sessions before proceeding with the program.

The sessions' objectives are two-fold:

- to provide information to the public on the rationale for increasing the number of *tree farm licences*, on the tenure conversion policy, and on replacement procedures; and,
- to obtain public input on the proposed policy and procedures.

This fact sheet provides answers to some common questions about *tree farm licences* in B.C.

For more information, contact the nearest office of the BCFS, or the Timber Harvesting Branch, 1450 Government Street, Victoria, B.C., V8W 3E7.

Q Why does the government want to increase *tree farm licences*?

A In 1987, the Minister of Forests announced the government's intention to increase *tree farm licences* in the province, from 29 per cent to 67 per cent of the allowable annual cut, to:

- stimulate investment;
- improve forest management; and,
- increase jobs in the forest sector, through additional value-added manufacturing, more forest renewal and more opportunities for small business operators.

The costs and responsibility for ensuring that forests are replaced shifted, by law, from the government to the companies harvesting timber.

As well, up to 10 per cent of the *forest licencees'* volume would be removed upon converting their licences to *tree farm licences*.

This timber would be made available to small business operators, on a competitive basis, to provide more opportunities and encourage job creation.

Along with increased responsibility for replacing forests and the possible 10-per-cent transfer of volume, the opportunity for more tenure security, in the form a *tree farm licence*, was provided to companies with long-term rights and commitments under another licence.

Q Is the granting of a *tree farm licence* equivalent to selling Crown land?

A No. A *tree farm licence* grants a company the rights to timber, *not* the land.

There are no rights to the other resources on the land. A *tree farm licencee* must meet or exceed BCFS forest management standards. The licencee must also comply with procedures for review by other resource agencies and the public.

Q Does the proposal to create a number of new *tree farm licences* in the province mean more concentration of the forest industry in the hands of few major companies?

A No. In fact, it simply means existing *forest licences* may be converted to *tree farm licences*, subject to review by resource agencies and the public.

In general, *forest licences* are held by mid-size companies, not big multi-nationals. No new timber rights will be issued to the companies.

Q Is a *tree farm licence* a new concept?

A No. This form of tenure was recommended as a result of three Royal Commissions, completed in 1945, 1956 and 1976.

Today there are 31 *tree farm licences* in the province.

Q What is a *tree farm licence*?

A A *tree farm licence* is a contract between an individual forest company and the BCFS that allows the company *to occupy and continuously manage the forests on a specific area*.

It includes timber harvesting and the full responsibility for replacing the forests harvested.

In return for forest management responsibilities, the licencee is the only company in the area with long-term timber cutting rights.

Tree farm licences can include both Crown and private land. Where private land is included in a *tree farm licence*, both crown and private lands are managed as a unit.

Q What is the main difference between a *tree farm licence* and *a forest licence*?

A A *forest licence* is a contract between a forest company and the BCFS that allows the company *to harvest timber in different parts of a timber supply area*.

Therefore, a *forest licence* has no fixed area.

Typically there are a number of *forest licencees* in one *timber supply area*.

Since, by law, all areas harvested must be reforested, forest renewal is required under *forest licences* as it is under *tree farm licences*.

However, *forest licencees* are responsible for ensuring new forests reach a free-growing state, while *tree farm licencees* must manage the forest throughout the cycle -- from reforesting to harvesting. This includes tending and improving the forest, protecting the crop, inventory, and planning.

Q Will public access be restricted on *tree farm licences?*

A Generally, the public has unrestricted access to all Crown forest land.

Under new legislation, public access is the same for *tree farm licences* as for other licences.

However, there are temporary restrictions which apply to all Crown forest land:

- when the risk of forest fire is high or extreme; or
- for public safety, when harvesting takes place in the area or heavy logging trucks are using the forest roads; or
- when another resource agency has requested a restriction, such as for wildlife management.

If you do have a question or problem with public access please contact your local BCFS office.

Checks and balances

It's not easy to get a licence and then to harvest trees in B.C.'s forests. There are many checks and balances.

Here's the proposed step-by-step process required for those who want to convert *forest licences* to *tree farm licences*, as well as the established hoops they have to go through to harvest trees, if they get a *tree farm licence*:

[Steps 15 through 20 also apply to *forest licences*.]

Step 1: *Forest licencees* submit letters-of-intent. This process is now largely completed for the province.

Step 2: The B.C. Forest Service (BCFS) will:
- review all letters of intent from licencees;
- set priorities by timber supply area;
- schedule, by timber supply area and according to the priorities set, the submission of a comprehensive *tree farm licence* application.

Step 3: The scheduled *forest licencee* submits the application.

Step 4: The BCFS and other agencies review the application.

Step 5: The BCFS announces and advertises a public hearing on the application.

Step 6: The public hearing is held and submissions are made.

Step 7: The BCFS evaluates the application, after considering the public's views, and makes its recommendations.

Step 8: If approval is recommended, the application and proposal goes to the provincial cabinet for final approval.

Step 9: The cabinet must give its approval-in-principle.

Step 10: The *forest licencee* gets a registered professional forester to prepare the *tree farm licence management and working plan*.

Step 11: The *management and working plan* is submitted to other resource agencies for review and made available for public review.

Step 12. The BCFS considers these comments and makes its recommendations to the BCFS chief forester.

Step 13. The BCFS chief forester approves or requests modification of the *management and working plan*.

Step 14: The Minister of Forests and the licencee enter into a *tree farm licence agreement*.

Step 15. The licencee prepares a *five-year development plan* and refers it to other resource agencies for review and to the public for comments.

Step 16. The licencee prepares a *pre-harvest silviculture prescription* signed by a professional forester and refers it to other resource agencies for review and to the public for comments.

Step 17. The BCFS district manager approves or requests modification of the *five-year development plan* and the *pre-harvest silviculture prescription*.

Step 18. The licencee applies for *cutting permits*.

Step 19. The BCFS district manager issues the *cutting permits*.

Step 20. The licencee starts harvesting trees under the tree farm licence.

Q Can *tree farm licencees* do whatever they like on their licence area with no regard to the environment?

A No. All licencees, including *tree farm licencees*, have to meet the same environmental standards for harvesting and forestry operations on Crown land.

As with other tenures, plans for all harvesting and forestry operations must be reviewed by other resource agencies and the public before being approved by the BCFS.

Q Can a *tree farm licencee* prevent other uses from occurring in the licence area?

A No. The government has full discretion to approve and manage other types of land-use within a *tree farm licence*, such as water-use, wildlife guiding, and cattle grazing.

The government may even reduce the area of a *tree farm licence*.

Harvesting plans must take into account other values, such as wildlife or recreation, and these plans are adjusted to minimize conflicts with these other uses.

Before the *allowable annual cut* is determined, other uses of the area must be addressed. For example, major areas of deer and elk winter range on *tree farm licences* on Vancouver Island have been designated 'no harvesting' until it is assured that winter range needs can be met on other areas.

Q If the government wants to take land out of a *tree farm licence* for other purposes, will it be necessary to compensate the company?

A The Minister of Forests has full authority to remove Crown land from a *tree farm licence* for various other uses. In most cases, the Minister is able to do so at no expense to the government.

Compensation provisions for *tree farm licences* are similar to *forest licences*.

Under the *Forest Act*, land can be taken out of a *tree farm licence* in two categories:

- withdrawals for rights-of-way and reservoirs; and,
- withdrawals for any other purpose, such as for parks, ecological reserves, agriculture, and settlements.

When withdrawals in either category reduce the annual cut of the *tree farm licence* by more than five per cent over 25 years (the term of the licence), the government is required to pay compensation to the company for any *further* withdrawals.

The same rule applies to *forest licences*, but over 15 years -- the term of the licence.

Withdrawals within the five-per-cent 'no compensation' limit occur regularly.

For new *tree farm licence* proposals, government agencies will ensure, where possible, that potential withdrawal areas are not put in the *tree farm licence* in the first place.

Public input will play an important role in identifying these areas.

Q Do *tree farm licencees* set their own annual cut level?

A No. B.C.'s chief forester must approve the allowable annual cut level based upon what can be sustained over the long-term, and considering silviculture performance, other resource uses, utilization, and losses due to fire and pests.

Q Will the creation of more *tree farm licences* decrease opportunities for small operators?

A No. The government is committed to maintaining and expanding small business opportunities.

In fact, the amount of wood available to small business operators is being doubled.

Most *tree farm licences* will allow for a specified amount of the allowable annual cut of accessible timber to be sold to small business operators and managed directly by the BCFS.

Q Can the terms of a *tree farm licence* be changed?

A Tree farm licences have a 25-year term, but they can be replaced with one that may contain revised conditions at each succeeding 10-year anniversary from the commencement date.

Under this "evergreen" management, the licencee may accept the revised conditions and obtain a new 25-year replacement licence for the same area, or may refuse the new terms and retain the licence for the remaining 15 years, with no further replacement right.

Q What are the main benefits and disadvantages of *tree farm licences* to the public?

A The benefits:

- The increased security of timber supply and the value added incentive in the proposed policy for *tree farm licence* conversion should increase investment in manufacturing, particularly secondary manufacturing. This, in turn, should lead to more jobs and community stability.
- More opportunities for jobs in the silviculture industry will be created as a result of innovative and intensive forest management practices common to area-based tenures.

The disadvantage:

- In moving from *forest licences* to *tree farm licences* there could be less flexibility for the government to adopt to changing circumstances because of the nature of *tree farm licences* -- area specific, length of tenure, etc.

Q Will range tenures for livestock be affected by *tree farm licences*?

A No. The BCFS continues to have full authority to manage the range resource and to issue range tenures on *tree farm licence* areas in the same way that it issues tenures for areas harvested under *forest licences*.

In both cases, good planning and continuing cooperation between users is required to ensure that both range needs and timber needs are met on the same land area.

Q Does the province receive a fair share from the use of the forest resource on *tree farm licences*?

A The province levies a charge for the use of all Crown timber. The same method of timber pricing -- stumpage appraisal -- applies to all licences.

Q Who pays for reforestation on *tree farm licences?*

A All licencees must, by law, pay for the costs of reforestation.

Q Where can I get more information on this subject?

A Contact the nearest office of the BCFS, or the Timber Harvesting Branch, 1450 Government Street, Victoria, B.C., V8W 3E7.

Setting the facts straight

MYTH: We are giving away Crown land when we grant *tree farm licences*.

FACT: A *tree farm licencee* only has rights to harvest timber subject to the government approval, after review by other resource agencies and the public.

The licencee does not have rights to the land nor to the other resources on the land. However, the licencee is responsible for the management of the forest land.

MYTH: The government has to pay if it wants to take Crown land out of a *tree farm licence* for other purposes.

FACT: The Minister of Forests has full authority to remove Crown land from a *tree farm licence* for other uses.

This is done at no expense to the taxpayer, as long as the withdrawals do not reduce the *tree farm licence's allowable annual cut* by more than five per cent over the licence's 25-year-term.

Compensation provisions are not confined to *tree farm licences*.

Forest licences also require similar compensation where their *allowable annual cut* is reduced as a result of any land withdrawals from the timber supply area in which they are operating.

MYTH: Public access is prohibited to Crown land in *tree farm licences*

FACT: Generally, the public has unrestricted access to all Crown land in *tree farm licences*. However, there are temporary restrictions which apply to all Crown forest lands:

- when the risk of forest fire is high and extreme; or,
- for public safety, when harvesting takes place in an area, or heavy logging trucks are using the forest roads; or,
- when another resource agency has requested a restriction, such as for wildlife management.

MYTH: *Tree farm licencees* can do whatever they like on their licence area with no regard for the environment

FACT: All *tree farm licencees* must meet the same environmental standards as any other harvesting and forestry operations on Crown land.

Plans for all harvesting and forestry operations are reviewed by other resource agencies and the public before being approved by the BCFS.

MYTH: A *tree farm licencee* can prevent other uses from occurring in the licence area.

FACT: The government has full authority to approve and manage other types of land-use within a *tree farm licence*.

MYTH: *Tree farm licencees* set their own annual cut level.

FACT: B.C.'s chief forester sets the allowable annual cut level based upon what can be sustained over the long-term, and considering the licencee's silviculture performance, utilization, and the needs for integrated resource management.

MYTH: More *tree farm licences* mean more concentration of the forest industry in the hands of few major companies.

FACT: Rather, the conversion of *forest licences* to *tree farm licences* will bring many mid-size companies -- particularly in the B.C. interior -- into the *tree farm licence* management arena.

MYTH: More *tree farm licences* means less opportunities for small operators

FACT: The opposite is true.

The government wants to expand small business opportunities and is doubling the volume of timber available under the Small Business Forest Enterprise Program.

Recent changes to the law allow the the issuance of short-term, competitive, timber sales under this program on *tree farm licence* areas.

Forest licences versus tree farm licences

Similarities

- Both *tree farm licences* and *timber supply areas* are managed for sustained yield.
- Other resource uses must be considered on all licences.
- Both licences include reviews by other resource agencies and the public.
- The province owns the land, regardless of any licence issued.
- Both tenures confer the rights to occupy the land under licence for forest management purposes. Neither confer any other rights to the land.
- Both tenures require the same operational planning process, including the referrals of plans to other resource agencies and requirements for public review.
- Both tenures require the achievement of basic silviculture and forest protection standards.
- The same stumpage appraisal system for timber charges is used for both tenures.

Differences

- A *tree farm licence* includes the right to harvest timber according to approved plans *and* the obligation to carry out all phases of forest management on a specific area. This includes reforestation, stand improvement, stand protection, inventory, planning, access construction and harvesting.
  A *forest licence* applies only to a portion of a *timber supply area*. There may be several licencees within one timber supply area.
  Its basic intent is to achieve the orderly harvest of timber in a *timber supply area* and the timely reforestation of harvested areas.
- A *tree farm licence* specifies a fixed geographic area.
  A *forest licence* does not apply to a specific area within which the company is the only major operator. Forest licence harvesting continuously shifts within a *timber supply area*.
- *Tree farm licences* have a 25-year term, replaceable every 10 years.
  Forest licences have a 15-year term, replaceable every five years.
- A *tree farm licencee* is responsible for preparing a strategic plan for the management of the *tree farm licence* for approval by the BCFS. This plan includes a proposed *allowable annual cut*, which must be approved by the chief forester.
  In *forest licences*, the BCFS is responsible for preparing the *Strategic Plan* for the *timber supply area* and for setting the *allowable annual cut* for both the *timber supply area* and each forest tenure.
- *Allowable annual cuts* on *tree farm licences* can increase when the licencee can use previously unuseable wood due to technological or access advances; or, increased wood production by improved forest management.
  The *Forest Act* does not allow increases in the *allowable annual cut* of *forest licences*. Any increase in the *allowable annual cut* on a timber supply area will go to new licences.
- The *tree farm licencee* must carry out inventory of forest and recreation resources, and other resources to approved standards set by the BCFS.
  The BCFS is responsible for the inventory of forest, range and forest recreation resources on crown lands outside of *tree farm licences*.
- The *tree farm licencee* is responsible for tending and protecting the growing stock on the *tree farm licence* from reforestation to the harvest stages.
  The obligation under *forest licences* stops after harvested areas have been reforested to a free-growing stage.

NOTES